

NEWS SUMMARY

RAIL
thiopia
ts raid
omali
WNS

la carried its Horn of
offensive into Somalia
lay with air attacks on
rthern regional capital of
isa and the Red Sea port
bera, a former Soviet
base.
Somalis claimed that their
aircraft drove back the
Soviet MIG 21s and U.S.
F-4s.
Mr. Ethiopia's National
Operations Command
called on Somali forces to
withdraw peacefully or face
military action. Page 3

ia to seek
er Soviet arms
President Assad of Syria is to
seek Soviet Union next week
to buy more arms.
Syria, 30 people were killed
in clashes took place
in Syrian peace-keeping
and the Lebanese Army. Its trade
Washington, officials said
weighting index was 98.8 (56.3).
The dollar's depreciation was
4.1 per cent. (4.60).
GOLD fell 31 to \$174.
WALL STREET closed 3.81
up at 782.56.
ICELAND is to devalue the
Krona by 15 per cent. Page 2

ster murders
Ulster Defence Regiment
and his 11-year-old son
were killed and his
critically injured when a
bomb blew up their
at Maghera, Co. Londonderry.
In Belfast last night two
bombs started large fires.
Death arrest
Duncan Noble, 49, who
been sought by police in
con with a nationwide hunt
for a man who has been
tried to in the Press as Dr.
th Wales, and is to appear
a Derbyshire Crown
court judge to answer a bench
runt issued last October
he failed to answer bail
in respect of three burglary
charges.

37,000 damages
former Scotland Yard Special
sergeant, who was
attacked at the Old Bailey
in 1964 on indecency and bribery
charges, was awarded £37,000
in Court damages for
licious prosecution.

S. snow chaos
resident Carter declared Rhode
and Connecticut major
disaster areas because
the blizzards which hit them
rd after moving up from New
York State. In Boston, troops
were called out to curb looting.
ospital fire
ore than 350 psychiatric
patients were evacuated last
night when fire swept through
Hollway Sanatorium at
guinta Water, Surrey.

riefly
Students picketed the Depart-
ment of Education and Science
in London as part of a protest
th teachers and public em-
ployees' unions against the
tending closure of 21 teacher-
training colleges.
Middle class women are feeling
the financial pinch in increasing
numbers, according to a Home
and Gardens survey.
Four bits of radioactive Soviet
satellite debris have been found
in northern Canada.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise
indicated)

Treasury 3pc 1978-80	59.84	+ 14
Treasury 13pc 1987	51.10	+ 1
Beecham	825	+ 8
Bejam	62	+ 2
Caledonian Cinemas	373	+ 9
Dowry	375	+ 9
Fisons	182	+ 4
Hawke	353	+ 9
ICI	79	+ 3
Imperial Group	285	+ 10
Lucas	245	+ 10
Mark and Spencer	140	+ 5
Mills and Allen	140	+ 5
Soda Viscosa	454	+ 5
Trust Houses Forte	189	+ 11
Pancontinental	835	+ 50
Deca	440	+ 20
Bent and Matheson	37	+ 8
Marling Supplies	111	+ 3
United Intl.	39	+ 2
United Scientific	271	+ 6
Bishopsgate Plst	70	+ 5
Harmony	380	+ 25
Randolfeld	53	+ 1
Rustenburg	285	+ 12
Wendell	285	+ 12
Union Corporation	238	+ 8

Pit leaders accept 10% as TUC criticises sanctions

BY CHRISTIAN TYLER, LABOUR EDITOR

The Government's rigorous defence of its informal 10 per cent. earnings limit paid off yesterday when miners' negotiators gave up their attempt to wring a better offer out of the Coal Board.

If the miners' deal goes through without further trouble, that would leave the power workers whose militancy already has shown little visible support for an assault on the wage limit. Power workers' leaders, who meet the Electricity Council again next week, are bidding for productivity bonuses to match those being paid to miners.

Earlier yesterday, TUC leaders criticised the Government's use of threats against companies to force employees' wage deals into line, and Mr. Albert Booth, Employment Secretary, defended his department's role in the vetting of what he insisted was still a voluntary incomes policy.

By a comfortable majority, the miners' 14 negotiators voted to take a straightforward 10 per cent. in addition to the wage bill from March 1, to last for 12 months. They are challenging the board's wage bill figure of £748m., but negotiations are expected to be complete within two weeks for ratification by the full executive of the National Union of Mineworkers. A ballot of the 280,000 members may follow but is not automatic.

The miners' unexpectedly rapid acquiescence to limits set by the Government came only 24 hours after the announcement that future Government contracts with private companies would include a clause stipulating that they conform with the pay ceiling. So far action has been taken against 23 companies for breaking the guidelines, the Commons

was told in a written answer. At its last meeting with the Board, the miners' union had complained that the 10 per cent. was being rigidly enforced in the public sector but not in the private sector.

Yesterday, Mr. Joe Gormley, union president, revealed that he had given a warning to the Chancellor and other Ministers on Tuesday that the Government would lose many workers' votes at an election if it continued to prevent itself as the only political party intent on fixing wage levels from on high.

A more guarded objection to the Government's handling of pay came earlier in the day from the TUC economic committee which briefly discussed the latest initiative against the private sector. It said that sanctions were not the way to create the climate in which responsible, voluntary collective bargaining could take place.

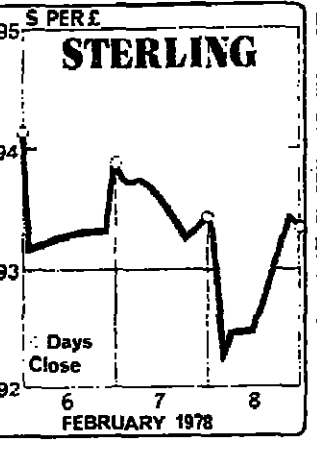
A move to see the Prime Minister about sanctions was not taken up and the issue will go before the general council late this month.

Mr. David Bannett, TUC chairman, said afterwards: "We have avoided a wage explosion but the longer you go on with an incomes policy, the more difficult it becomes and the more difficult to get back to flexibility in bargaining without a wage explosion."

TUC leaders are by no means unanimous about sanctions—some of those in the public sector, for instance, are in favour of them. The same ambivalence is apparent in attitudes to the 10 per cent. limit. One member of the economic committee yesterday described the TUC's reaction to what is in effect a Phase Three of the incomes policy as "a conspiracy of silence."

Mr. Len Murray, TUC general secretary, said that people resented the kind of treatment and threats being used by the Government and gave a warning that it could be counter-productive. He said the TUC had not been consulted.

Continued on Back Page



STERLING

Boost for the pound

BY MICHAEL BLANDEN

THE STOCK market and the pound recovered yesterday afternoon with the help of the miners' pay decision. It had come under pressure earlier in the day.

The uncertainty in the markets reflected concern over the pay policy and fears of an increase in interest rates after the disturbing banking figures published on Tuesday.

Short-term rates in the money markets went up yesterday. Rates on Treasury bills were pointing to a possible rise of 1 or 2 per cent. in the Bank of England's minimum lending rate to-morrow.

Early in the day, the pound suffered from selling pressure in active markets. It dropped against the dollar to a low point of \$1.9225, with the trade-weighted index of its value against a basket of currencies falling to 65.3 at noon.

Later, sterling picked up, with the market reporting that the authorities might have intervened at the lower levels. At the close, it stood at \$1.9335, a fall of 10 points, with the index down from 66.3 to 66.0.

Similarly, prices of gilt-edged securities and of ordinary shares showed a marked turnaround during the day. The Financial Times Ordinary share index ended with a gain of 4.7 at 468.4.

Gilt-edged prices were hit particularly by anxiety over possible moves by the authorities to tighten their control of the money supply, after the January banking figures had indicated a further substantial rise.

At one stage, long-dated stocks were showing falls of up to 1, but they rallied later, with gains of up to 1 at the official close and further rises in late trading. The Financial Times Government Securities index gained 0.36 at 74.41.

In general the lower the index, the better the competitive position. Indices measure U.K. and foreign competitors relative performance.

Source: Treasury

Japan rejects U.K. plea on car imports

BY CHARLES SMITH IN TOKYO AND TERRY DODSWORTH IN LONDON

THE Society of Motor Manufacturers and Traders failed to obtain an undertaking that Japan would freeze its 1978 car exports to the U.K. at last year's levels during one and a half days of talks which ended in Tokyo yesterday.

The Japanese reply, set out in a joint communiqué issued in Tokyo by the SMMT and the Japanese Automobile Manufacturers' Association, says that "it is impossible to make commitments to any form of restriction in terms of quantity or market share."

However, Japan's negative reaction seems to have been tempered by the admission that the increased share captured by Japanese producers in the U.K. during 1977 was inflated by special conditions that should not recur in 1978—specifically the labour troubles which cut Britain's production by an estimated 400,000 cars.

The adoption of this tougher line by the Japanese after two-and-a-half years of relatively successful restraint, can be expected to reactivate Parliamentary and trade union pressure in Britain for import controls on Japanese cars. There is known to be a group within British Leyland which is pressing for such restrictions.

The news from Tokyo came just as U.K. registration figures for January were issued by the SMMT showing that Datsun, the biggest Japanese importer, had taken the third position in the U.K. sales league with sales up from 4,800 last year to 13,200—an increase from 4.0 to 8.7 per cent.

Datsun easily outsold Chrysler (\$200: 5.4 per cent.) and Vauxhall (\$600: 6.3 per cent.). With Colt and Honda also making up ground in the month, the total Japanese market share rose to 13.2 per cent. from 7.8 per cent. in January 1977.

The expansion in Japanese sales from 8,700 cars to 19,900

combined with sharp growth in registrations of Continental-made vehicles (up from 36,700 units to 50,800) to push British car imports over the 50 per cent. mark for the first time since last September.

These figures were greatly boosted by Ford's import of 15,000 vehicles from Ireland, Spain, Belgium, and Germany, which enabled it to retain market leadership with 30 per cent. against Leyland's 21.4 per cent.

Asked in Tokyo whether he was satisfied with the results of his talks with JAMA, Mr. David Plastow, the president of SMMT, said that he did not know what more he could realistically have hoped for other than general undertakings by the Japanese not to cause trouble for the British industry.

The outcome of the talks, in the simplest terms, would seem to be that Japan has moved away from its previous willingness to give unofficial commitments (usually described as forecasts) about its future export performance in Britain and is now willing to say only that it will be careful not to let its sales do "serious" damage to the U.K. industry.

The Japanese are, however, showing increasing awareness of the need for caution in overseas markets. Mr. Seiji Kato, president of Toyota Motor, Japan's largest vehicle manufacturer, was reported yesterday in the West German magazine Auto Zeitung, as saying that Japan would have no choice but to accept a reduction in exports.

The SMMT, having failed to tie down Japan on the question of market shares, now has the choice between accepting JAMA's general expressions of good faith or renewing its attempts to get the British Government to put up import barriers.

The shadow of protectionism. Page 20

U.K. CAR REGISTRATIONS			
January			
	1978	%	1977
Ford*	45,735	30.02	29,223
British Leyland*	32,522	21.35	32,572
Vauxhall*	9,574	6.28	9,123
Chrysler*	8,219	5.39	5,841
Total British	76,116	49.94	64,266
Datsun	13,229	8.68	4,583
Renault	6,831	4.48	5,109
Fiat	6,707	4.40	6,597
VW/Audi	5,829	3.83	3,285
Total imports†	76,234	50.04	49,830
Grand total	152,350	100.00	114,096

* Figures include cars from companies' Continental associates which are not included in the total British figure. † Figures include imports from all sources, including Continental associates of British companies.

Export competitiveness at pre-devaluation levels

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PRICES OF British exports compared with those of its main competitors have risen sharply in recent months and are now relatively higher than at any time since the 1967 devaluation. This follows the recent sharp rise in sterling.

This is shown by new Treasury estimates published in a Commons written reply and discussed in detail in the February issue of its Economic Progress Report.

The adverse trend in relative export prices is likely to reinforce concern about the impact of the appreciation of sterling on export prospects. A near-record number of companies in the January CBI survey considered export prices a likely constraint on sales overseas.

The Treasury, however, argues that this measure should not be considered on its own and that other indicators for relative import and wholesale prices and for unit labour costs—should also be examined.

Indeed, officials stress that if a single indicator is needed, relative unit labour costs

(adjusted for variations in productivity) should be used in most contexts. In 1976, all the measures improved substantially as sterling fell and last year the opposite occurred. For the three relative price indicators, the whole of the 1976 competitive advantage has now been eroded and the relative export price index is now back to its 1966-67 level.

However, the indicator of relative unit labour costs has deteriorated much less than others because of pay restraint and it is still significantly more favourable than in the early 1970s.

There is considerable controversy over the importance of the exchange rate for export performance. Mr. Denis Healey, the Chancellor, has said in the Commons that he believes the impact of the exchange rate on trade tends to be exaggerated. He noted that the improvement in the volume of export of manufactured goods preceded the fall in sterling in 1976.

Source: Treasury

COMPETITIVENESS OF U.K. EXPORTS OF MANUFACTURED GOODS

	1970=100	Relative export prices	Relative unit labour costs
1970	100.0	100.0	100.0
1971	102.2	103.1	100.8
1972	102.6	100.8	100.8
1973	94.1	91.8	97.9
1974	93.1	97.9	97.9
1975	96.5	99.2	99.2
1976 1st	99.2	99.0	99.0
2nd	94.4	91.8	91.8
3rd	95.0	90.1	90.1
4th	90.4	82.4	82.4
1977 1st	95.5	85.1	85.1
2nd	97.7	85.2	85.2
3rd	99.9	84.7	84.7
4th	104.1	88.3	88.3

In general the lower the index, the better the competitive position. Indices measure U.K. and foreign competitors relative performance.

Source: Treasury

OPEC turning away from dollar

BY MARY CAMPBELL AND FRANCIS GHILES

THE MAJOR oil-producing countries started to diversify their international bank deposits from dollars to other currencies months ago. This was before the dollar's precipitous slide on the foreign exchange markets.

According to information on international bank deposits and loans released yesterday by the Basle-based Bank for International Settlements, OPEC members cut their dollar-denominated deposits with international banks by at least \$1bn. in the third quarter of last year.

At the same time they built up their non-dollar deposits with European banks by about \$1.4bn. It is unclear from the figures which currencies the funds were moved into. However, the funds are thought to have been invested fairly evenly in several currencies.

The oil producers' decision could have played a part in precipitating the dollar's slide on the foreign exchange markets. The BIS figures further confirm a shift in the deployment of OPEC members' revenues from

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EUROPEAN NEWS

Iceland devalues the krona by 13%

The Central Bank of Iceland yesterday announced a devaluation of the krona by 13 per cent. AP-DJ reports from Reykjavik. It also said it has reversed its floating rate policy and, unless there are unforeseen difficulties, the parity will be fixed.

The dollar will now be valued at 1kr.233, compared with 1kr.220 last Friday before foreign exchange transactions were temporarily suspended pending the announcement.

The Central Bank also announced that commercial banks will not begin currency trading until a bill introduced by the Government in the Althing (Parliament) yesterday has been passed. The bill establishes a currency trading differential amount, to be used to aid the fishing industry which is facing difficulties because of inflation and high wage increases.

Full Cyprus federation 'not immediate aim'

A Turkish legal expert said yesterday that constitutional proposals to be presented by the Turkish side in the Cyprus dispute would not aim at the immediate creation of a fully-fledged federation. Reuter reports from Nicosia. Instead they would try to create the conditions for such a federation to evolve over the years. Professor Mumtaz Soyars said.

The present Cyprus problem stems from the Turkish invasion of the island in 1974, during which the Turks seized most of the northern areas. Both sides have agreed that the problem should be settled on the basis of a bi-communal federation but there is a wide gap on what kind of federation it should be. Turkish-Cypriotes want maximum powers for the regions while the Greek-Cypriotes want a strong central government.

Meanwhile in Paris, President Spyrkos Kyprianou of Cyprus has quoted today's news saying that international mediation through the United Nations offered the best way towards a solution to the Cyprus problem.



Kreisky leaves Moscow

Dr. Bruno Kreisky, the Austrian Chancellor (above), left Moscow last night at the end of a three-day visit during which the two sides discussed the issue of expanded trade. Reuter reports from Moscow. Dr. Kreisky, however, refused to be drawn into the Soviet campaign against the neutron bomb. At a news conference he said the President Leonid Brezhnev that the issue of neutron bomb deployment was best resolved by the superpowers. Without being specific, he said that there were good prospects for trade expansion. Austria was interested in construction projects within the Soviet Union, and the sale of consumer goods and sugar. It was also ready to co-operate with the Soviet Union in Third World development projects.

French price rise

The French CGT trade union said the retail price index which it calculates rose 1 per cent in January. Reuter reports from Paris. The official January index is not expected until around the end of this month. The union index is usually higher than the official index, which in January is widely expected to show a rise of around 0.8 per cent, compared with 0.3 per cent in December.

Romanian warning

A former top Romanian Communist Mr. Karoly Kiraly has warned the Bucharest leadership that the policy of forcibly assimilating national minorities was causing widespread dissatisfaction. Paul Lendvai writes from Vienna. A letter which has now become available indicates that not only Mr. Kiraly, a former Politburo member, but also other members of the nationality council have criticised the Romanian nationality policy.

West German printing dispute ultimatum

BY ADRIAN DICKS

THE WEST German printing industry appeared on-tight to be moving towards full-scale confrontation over the introduction of computerised, cold-type technology in place of hot metal.

The printers' union, IG-Druck und Papier, ordered a fresh series of "limited protest strikes" that will stop publication of most of the country's leading daily newspapers tomorrow, and may also upset production of magazines and periodicals.

IG-Druck made clear it was hitting back after the three main employers' federations in the industry had announced here this morning that they will not enter any new round of negotiations with the union on a draft agreement on the new technology that the IG-Druck national executive has refused to adopt.

However, the employers have

secured the support of two of the other three unions involved in the 18-month-long negotiation of the draft agreement, and the tough terms of their statement to-day strongly suggested that they are now preparing to isolate IG-Druck and to press ahead with the introduction of the new technology without the printers' cooperation.

The employers' leaders said this morning that they believe the IG-Druck president, Herr Leonhard Mahlein, and his colleagues on the national executive were coming under pressure from "forces which want to prevent at any cost the breakthrough of a realistically grounded compromise."

According to the employers, this compromise was the work of the 18 months of negotiation with the unions, in which IG-Druck took part and to which, the employers believed, its negotiators fully subscribed. Yet

when it had been put to the union's national executive, it had been rejected out of hand.

Since that rejection last week, IG-Druck has asked for new negotiations and has raised eight new points on which it wants to reopen discussion. The employers' leaders say they will not return to talks with IG-Druck until these points are dropped.

They also issued a warning to the journalists' union, the Deutsche Journalistenverband (DJV), the fourth union concerned in the draft agreement, that there could be no question of reopening discussion of matters of substance in providing "clarifications and additions" which the DJV has requested. At the heart of the draft agreement is a scheme for redefining the role under the new technology of men with highly paid skilled jobs in hot metal printing. The employers insist that the agreement is more

generous than any comparable technological adjustment deal ever put forward in West Germany, and are holding fast to their demand that the unions take it or leave it as a whole. IG-Druck wants stronger assurances on manning scales and on the future status of its members once electronic, cold-type setting is introduced.

The employers' representatives issued a thinly veiled warning, however, that if need be, the industry will go ahead without the men who are now IG-Druck's members. Herr Eckhard Pohl, head of the Magazine Publishers' Association, said that the setting of copy on computer terminals was a job for white-collar clerical staff, and that this had been agreed by the two unions representing them, the Union of Commercial, Banking and Insurance Staffs (HBV) and the German Salaried Staffs' Union (DAG).

What has evidently encouraged the employers to take their tough stand towards the printers is the acceptance by the DAG yesterday and by the HBV to-day of the new agreement, and it is expected to be signed by at least these two. The DJV, representing most, though not all, journalists, is expected to reach a decision next week.

Shipbuilding and engineering companies in Hamburg and elsewhere in North Germany were hit by protest strikes to-day, as the metal industries' union, IG-Metall, stepped up pressure on employers to improve their 3 per cent pay offer this year.

At the same time, IG-Metall's separate negotiating committee for the steel industry called for a ballot on whether to take strike action, after the steel employers had declared wage bargaining to be deadlocked on Tuesday evening.

Orders increase 4% New Bill aims to save energy

BY OUR OWN CORRESPONDENT

BONN, Feb. 8.

BY JONATHAN CARR

BONN, Feb. 8.

NEW ORDERS to West German industry rose by 4 per cent, during December, according to preliminary figures issued by the Economics Ministry to-day. This healthy increase took place, however, from the base of a November performance which was adjusted downwards by some 2 per cent from the preliminary figure for that month.

The December preliminary figures show a 5.5 per cent increase in new orders from West German domestic customers, with an especially sharp pick-up in demand for capital goods. This development appears to bear out the confidence in leading economic officials that the first quarter of 1977 saw a marked recovery

in business activity from the stagnation of the late summer and autumn months.

New orders from abroad were, however, down by 0.5 per cent in December overall, though export orders for consumer goods showed a 4 per cent increase, in contrast to the general trend and of the effective revaluation of the D-Mark.

A two-month comparison showed new orders up by 5.5 per cent, in November-December from September-October. By this measure, export orders were up 7 per cent, or twice as much as new domestic orders.

The December figures also indicated that new orders during the last quarter of 1977 as a whole were well above the average for the first three quarters, for both domestic and export customers.

THE WEST GERMAN Government to-day made a further attempt to bring in an effective nation-wide programme to save energy in buildings. With luck, the programme could be in force by the summer.

The absence of such measures so far has caused Bonn some embarrassment. German Ministers have repeatedly stressed that the United States must take effective steps to save energy, reduce reliance on imported oil, cut the trade deficit and thus, it is hoped, stabilise the dollar.

Yet the Bonn Government has itself been unable to bring in even relatively limited steps to cut energy wastage in the home because of opposition in, at most, the first three quarters, for both domestic and export customers.

Until now the Social Democratic Government has sought to get the savings programme going quickly simply through an administrative agreement under which Bonn would supply half the necessary finance and the Länder the other half. But the Conservative government of Baden-Wuerttemberg refused, saying it had better things to do with its money. The state of Lower Saxony seemed to share this view.

To-day, the Bonn Cabinet passed a bill updating the law on building modernisation which includes virtually all the energy savings ideas it was previously hoping to implement by other means. The Federal Government is ready to put up a total of DM2.2bn, between now and 1982,

with the Länder called upon to provide the same sum. The money will be used to finance up to 25 per cent of the costs involved in introducing double glazing, lagging pipes, insulation and so on.

The bill must go before the Bundestag—which groups representatives of the Länder—but it requires only a majority, not a unanimous vote, to gain passage. Further, if a state opposes the bill and makes no use of the sum on offer from the Federal Government, then its quota can be offered to another state.

It is hoped that this gentle pressure will induce overall acceptance. The whole affair serves to illustrate the problems involved in the German federal system, and the ingenuity needed to get round them.

Ireland's Cabinet abandons pay guide

By Giles Merritt

DUBLIN, Feb. 8.

THE IRISH Government has abandoned its 5 per cent pay guide for public servants this year. Although the budget strategy it unveiled last week relied heavily on severe wage restraint, the Government has decided to relax its limits in order to secure a national wages agreement.

After a lengthy Cabinet meeting yesterday to discuss deadlocked employer-union talks on a pay pact, there are indications that Mr. Jack Lynch's government will endorse a wages deal of more than 7 per cent. When pay negotiations broke up at the end of last week, the employers were offering 6½ per cent, and the 90 union-strong Irish Congress of Trade Unions was insisting on 10 per cent.

With the pay talks due to resume on Friday there is considerable optimism in Dublin that a wages deal will be struck within a fortnight. Officials representing the public service, which accounts for about a third of the 440,000 workers involved in a national deal, also due to take part in the new round of talks. This is being taken as an indication that the Government would be satisfied with a settlement of 7-8 per cent.

Probe ordered into black-out

By Our Own Correspondent

DUBLIN, Feb. 8.

THE IRISH Post and Telegraphs Department has ordered an inquiry into the blacking out of Telex and computer circuits yesterday when a serious strike action by technicians seriously disrupted the country's telecommunications network. Irish authorities said a number of Telex routes and vital telegraph and data circuits, including all those for Aer Lingus, the national airline, were found to be out of order. The circumstances of this "abnormal" blackout would be specially investigated, a spokesman said.

FRENCH CURRENCY RALLIES

Mitterrand accusation on franc

BY ROBERT MAUTHNER

PARIS, Feb. 8.

M. FRANCOIS MITTERRAND, the French Socialist leader, to-day sharply attacked the Government for its purported failure to stop the depreciation of the franc over the last week and accused it of complicity with "speculators."

His statement was not very well timed, however, since the franc staged a marked recovery on the Paris foreign exchange market to-day, after starting to regain yesterday some of the ground lost since the middle of last week.

The French currency closed at about 4.87 to the U.S. dollar, a rise of about four points on the day. This compared with a low point during the latest flurry of 4.95.

The franc also firmed to 2.31 to the D-Mark against yesterday's close of about 2.3975, to 2.48 against the Swiss franc from yesterday's 2.5125, and to about 9.33 against sterling from 9.5375.

The news from the exchange market did not deter M. Mitterrand from holding the Government's economic and industrial policy responsible not only for the depreciation of the franc over the last week, but during the past 20 years. In 1958, he pointed out, the franc was worth DM1. By 1978 it had fallen to 1.97, and to-day was worth no more than 2.32, he said. This meant that Frenchmen had to work twice as long as their West German counterparts to buy the same foreign goods.

The Socialist leader claimed that the fall of the franc had been started by the massive sale of the French currency by a small number of "very powerful French residents" operating through U.S. banks, and had subsequently been amplified by forward cover operations by importers and exporters.

Faced with this "offensive against our national money," the Government had failed to do its duty instead of taking the numerous measures at its disposal to combat speculation, M. Mitterrand said. It had reacted by making irresponsible declarations attributing the cause of the rapid depreciation of the franc to the alleged lack of confidence of the French people in a future left-wing government.

THE FRENCH ELECTIONS

M. Mitterrand also called on the Government to take stringent measures to prevent the illegal flight of capital from the country. He claimed that as much as Frs.400bn. (about \$40bn.), a sum equal to the whole national budget, had been deposited by French citizens in Swiss numbered bank accounts. It was intolerable that the authorities should permit such a situation.

"For the Socialists," M. Mitterrand said, "no distinction can be made between a franc of the Right and a franc of the Left. Its value has to be defended because the purchasing power of Frenchmen and the economic independence of the country is at stake."

Car sales in Holland up by 8.6%

BY CHARLES BATCHELOR

AMSTERDAM, Feb. 8.

DUTCH CAR sales rose by 8.6 per cent last year to a record level of 551,932. Sales this year are not expected to differ much from this figure, the Dutch motor industry association said.

Volvo, the only company which manufactures cars in Holland, saw total sales of its Dutch- and Swedish-produced models fall to 20,644 from 19,807 in 1976, and its market share decline to 3.7 per cent from 4.3 per cent.

Sales of the Daf Marque, which is now represented only by the Daf 66, fell to 2,926 from 7,749.

British Leyland sales fell below the 5 per cent level for the first time in a number of years, selling 25,947 cars compared with 26,665 the year before. Its share of the market fell to 4.1 per cent from 5 per cent.

General Motors remained at the top of the list, selling 76,408 cars, nearly 5,000 more than in 1976. But its market share slipped slightly to 13.8 per cent from 14.4 per cent. Ford remained in second place, with 11 per cent of the market. It was followed by Volkswagen (8.6 per cent), Renault (8.1 per cent) and Peugeot (6.5 per cent).

The top Japanese make was Toyota with 5.3 per cent. Total sales of Japanese cars rose to 109,198. Their combined market share was 19.8 per cent, compared with 16.7 per cent in 1976.

Dutch politicians pursued knowledge of a change in tax laws to gain an "improper" advantage, senior tax inspectors said in a letter to Parliament.

Members of Parliament and of the last Government took out

insurance policies which gave particular tax advantages to those on high incomes just before plans for a Bill aimed at reducing these advantages was announced, the Association of Tax Inspectors claimed.

The standing parliamentary committee on finance will decide to-morrow whether to recommend an investigation into these claims. The committee's chairman, Mr. Theo Jozekes, a Liberal MP, said he thought some form of investigation was unavoidable.

Hungarian output higher

BY PAUL LENDVAI

VIENNA, Feb. 8.

THE HUNGARIAN economy last year surpassed planned output in all major fields, according to the detailed annual report of the Central Office for Statistics just published in Budapest. National income last year was up by 7.5 to 8 per cent, as against the projected 6 to 6.5 per cent, with industrial output rising 7 per cent, up 1 per cent on the original target.

Productivity improved by 7 to 7.2 per cent, and consumption

rose faster than planned. Real wages were up by 3.5 per cent in spite of a 3.9 per cent increase in consumer prices.

Investment last year jumped 13 per cent, as against the originally planned 4 to 5 per cent. This in turn caused delays in the completion of investment projects and a general rise in costs.

Overall foreign trade increased in both directions by about 16 per cent. However, the hard currency deficit was larger than last year's shortfall.

Portugal plan criticised by opposition

By Jimmy Burns

LISBON, Feb. 8.

PORTUGAL'S MAIN opposition party, the Social Democrats, to-day took the new Government to its first serious test by urging Parliament to reject the programme which Prime Minister Mario Soares presented last week.

Parliamentary debate on the new programme began this morning with a bitter attack by Sr. Octavio Pato, a leading member of the Communist Party. He was warmly supported by his colleagues as he criticised what he called the shameful alliance in government between Socialists and Christian Democrats.

The speech followed a communiqué issued by the Communist Party's central committee which described the programme of austerity measures as being inappropriate for the political, economic, financial and social situation in the country.

The only defence for the Government programme to say came from Professor Freitas do Amaral, the leader of the Christian Democrats, who said that the programme was capable of bringing the country out of its economic crisis.

Andreotti makes headway on programme

By Paul Betts

ROME, Feb. 8.

THE ITALIAN Prime Minister designate, Sig. Giulio Andreotti, said to-night he hoped to conclude his negotiations with other political parties next week in his attempt to form a new government.

At the end of his second round of consultations with political forces, Sig. Andreotti indicated to-night there was a degree of agreement over the formulation of a common government programme. However, he acknowledged there were still differences in respect of the government's crisis, especially over the issue of what he called a "parliamentary agreement" to enable the formation of a new administration.

Although a solution still appears distant, there is now cautious optimism following the Communist Party's decision last night to back down from its earlier intransigent line.

Sig. Enrico Berlinguer, the Communist leader, said last night after consultations with Sig. Andreotti that his party was willing to enter into an "emergency pact" and renounce, at least temporarily, its demands for direct participation in a new government, and hence, the inclusion of Communist ministers in a new administration.

However, the Communist Party's insistence on the establishment of a common agreed programme, supported by a clear and open new parliamentary majority in which they would be associated, was still being rejected to-night by some 100 Christian Democrat deputies and the small Liberal Party.

But, as Republican Senator Sig. Giovanni Spadolini said to-day after consultations with Sig. Andreotti, the resolution of the crisis was now firmly in the hands of Italy's two major parties — the Christian Democrats and the Communists.

Many political commentators here pointed out to-day that the real negotiations for an agreement were only beginning now and the outcome was by no means decided. Negotiations are expected to continue next week.

Although the Communists have to a certain extent cleared the situation, their demands for a negotiated parliamentary majority in which they would be openly associated, could cause serious difficulties for Sig. Andreotti.

So far, the Christian Democrat Party has insisted on negotiating an agreement on a common Government programme, but not a political accord, which is implied by the new Communist proposal.

It now remains to be seen whether Sig. Andreotti has a sufficiently elastic mandate to reach an accord acceptable to both the Communists and to his own party. Sig. Andreotti is proposing the establishment of an interim Christian Democrat Government with a commonly agreed programme to serve until the end of the year, when there will be Presidential elections.

A large vocal faction of the Christian Democrat Party would undoubtedly resist strongly any formal political association with the Communists. They are also likely to reject Sig. Berlinguer's demands that his party be consulted over the structure of any new Government.

Production falls 13.3%

By Our Own Correspondent

ROME, Feb. 8.

THE CONTINUING decline in Italy's economic momentum was confirmed by official statistics to-day showing a fall in industrial production of 13.3 per cent in December compared with a year earlier. However, the Government statistics bureau, Istat, said that the December fall had to be considered against an unusually high output figure in December 1976.

Last year, Italian industrial production registered an overall increase of 0.8 per cent over 1976, Istat reported.

NEW ZEALAND ECONOMY

Muldoon acts on deepening crisis

By Dai Hayward in Wellington

A SEVERE economic crisis in New Zealand, despite deluge government austerity policy. There is little prospect of recovery for many months.

New Zealand's economy, growing under a daunting 11 per cent inflation, mounting 15 per cent, mounting a pile of unsold cars and consumer goods, a stagnant industrial sector, a shortage of money, tight liquidity, deteriorating balance of payments, and pressure on the term trade.

Two recent confidential reports on the economy, produced by Government advisers, paint a picture which Prime Minister Robert Muldoon admits is gloomy.

The most depressing problem is inflation and the balance payments, while unemployment is now at a record post-war level, as school leavers and sear workers failed to find job January.

Unemployment

A survey by the Austral New Zealand Banking Group last week forecast that next year's unemployment rate would exceed 3 per cent. This is unprecedented for a country which has never experienced full employment. The index, social and general, indicates on full employment created over-employment, internal ill health such as inflation levels and overhang of civil service manning.

In its efforts to curb inflation over the past 18 months, government has introduced various measures to restrict internal spending and demand for imported goods. A slow rate of import growth of 1.7 per cent was to be a success in narrowing the balance of payments deficit.

Part of this policy was to reduce the overall standard of living by 2 per cent. Robert Muldoon, who as Minister of Finance, has responsibility for juggling economic problems, this has now been achieved. There is no need to reduce living standards further.

Consumer demand and spending, however, has not fallen, and is still growing. The government is taking an optimistic view based on continual expansion of the past, were slow to read signs. Massive stocks built up with unsold goods on shelves before order level were trimmed. Almost panic cancellation orders accelerated lay-offs and unemployment levels.

The motor car industry represents the position well. A recent survey has shown that levels of car ownership in New Zealand are among the highest in the world, even though prices, especially for Japanese cars, are high.

New assembly plants, especially for Japanese cars, are peaking at about 70,000 units per year, while the industry capacity for 100,000 cars. The car industry is now warned the car assembly industry is overproducing, but it was ignored. New cars built up in showrooms and giant parks at all assembly plants, the year's end manufacturer were left with about 14 per cent of new cars unsold, well below the economic level.

Car plants were forced to miss large numbers of work shifts adding to unemployment and the economic downturn.

Price increases

Housewives were, at the time, hit by hundreds of price increases. Sales of domestic appliances, furniture, clothing and non-essential items slumped. Most recent figures show inflation running at 11.3 per cent, but Robert Muldoon takes issue with this figure.

He says the December quarter price index and inflation contained many non-recurring items, and should therefore be taken out of the index. The economy is stuck in the 1976 figure, however.

Last October the government reversed some of its earlier policies by introducing measures to provide a mild stimulus to the internal economy. This included a 5 per cent tax cut across the board which came into force last month. It also encouraged many types of business.

These measures have had a mild effect but no more so. Most effective was government financial aid to provide short-term work for students during the summer vacation, and additional farm labour. It had only a marginal effect on unemployment levels.

Last week, the government moved again, this time to stimulate consumer spending, an assist the hard-pressed farm sector. In addition, \$25m. of retention funds has been released to sheep farmers. This move has been compulsorily taken by the government in the past two years. While winter prices have been high, and farm income good, this year they will fall by up to 40 per cent as receipts from dairy produce and wool come under pressure.

It is difficult to avoid the conclusion that New Zealand's economic problems will remain for a long time. The government's action the government takes.

Comecon: the consumer's discontent grows stronger and louder

EAST EUROPEAN officials report there is growing discontent in a number of Comecon countries with bad economic conditions which could lead to popular protests if the situation worsens.

The two countries singled out as the most volatile in Eastern Europe at present are Poland and Romania. However, officials from Warsaw and Bucharest strongly deny this. They argue there is far more serious discontent in East Germany or Czechoslovakia.

But East German communist officials are especially concerned about what they describe as the "chaotic supply situation" in neighbouring Poland. Like a seismograph, East Germany is currently registering every new shortage in Poland of basic foodstuffs and consumer goods. Polish shoppers often cross the border, where no visas are required from them, to converge on better stocked East German stores.

East Germans tell of angry scenes in East German butcher shops where Poles are being re-

fused more than two salamis each.

East Germans who have just returned from Poland speak of frequent absence of coffee and staple foods from supermarket shelves. They go so far as to

tartly that the only reason why East Germany is economically better off than Poland is the "well-known trading relationship they have with West Germany." The Poles also refer to the introduction of shops selling goods for West German money.

BY LESLIE COLLITT IN BERLIN

recall the 1970 riots over food price increases which toppled the former Polish communist leader, Wladyslaw Gomulka. East Germans have a healthy respect for Polish public opinion because, as one East German official explains, "Poles react more spontaneously than we Germans do." They suggest that Poland's current party leader, Edward Gierek, is largely responsible for the economic reversal his country has suffered. The Poles, in fact, are throwing back at the East Germans many of the same charges the Germans level at Poland.

Other East Europeans are even more critical of the inability of the East German authorities

in East Germany, without which many East Germans would not be able to buy the goods they want. In fact, the typical East German is described by the Poles as being filled with envy for the West German counterpart and dissatisfied with having to wait at least five years in East Germany for a car. The Poles note how poor services are in East Germany and how difficult it is for young people to get a flat.

The Poles, in fact, are throwing back at the East Germans many of the same charges the Germans level at Poland. Other East Europeans are even more critical of the inability of the East German authorities

to live with non-conformist writers and other intellectuals who are being forced to emigrate. This is felt to be leading to even greater disillusionment among young East Germans. The critics say that the East German communists have failed to raise a new generation of convinced socialists. But, instead, have produced "highly trained auto-

mata." Young people in other East European countries, they goods as well as improved housing at no increased rent and better able to cope with the work because they are not locked inside their country.

Virtually all the East Europeans, except for the Romanians themselves, agree that Romania faces trouble if there is no let-up in the present economic strains.

As evidence of the growing militancy of Romanian workers, the Comecon officials point to the coalminers' revolt this past summer in the Western Carpathians. Some 30,000 miners working in the Lupeni mines near the district capital of Petroseni demonstrated at party headquarters against new Government regulations depriving miners of the right to early retirement. A

number of high level officials from Bucharest were sent to deal with the demonstrators but were taken hostage.

President Nicolae Ceausescu broke off his holiday to negotiate with the miners and be assured that their position would be improved. He also held out the promise of a 5 per cent wage rise and better supplies of food and consumer goods as well as improved housing at no increased rent.

The Romanian leader then sacked a number of deputy mining ministers from their posts and this month fired the minister himself, Constantin Babalu.

The Romanian army was moved into the Jiu valley where the miners live. Secret police arrested workers who were prominent in the three-day anti-Government demonstration and resettled other workers in various parts of the country. In Berlin speak of the rash of other strikes that took place in Romanian industrial cities.

President Ceausescu was forced to return to the miners

in November to quell dissatisfied over the implementation of his earlier measures. Local functionaries received a tongue-lashing and he promised the miners their workload would be reduced.

DR. Y. IHSAN HHAZI

BEIRUT Feb. 8

Sadat says door still open for Israeli peace talks

WASHINGTON, Feb. 8.

Kuwait Prince made PM

KUWAIT, Feb. 8.

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By Our Foreign Staff

Britain's Residents

in one significant respect. Whereas the initial proposals only envisaged the establishment of advisory councils to assist the Resident Commissioner, who would have total power and could ignore their advice, the new suggestions talk of a "governing council." The new proposals state: "The transitional constitution will establish a governing council which the Resident

...would be composed of 10 other
members. It is understood that
Britain is suggesting four
from the Patriotic Front and
two from each of three parties
involved in the "internal"
settlement talks—the Rhode-
sian Government, Bishop
Muzorewa's UANC and the Rev.
Mithole's party. There would
be no seats for the fourth
party to the Salisbury talks.
Chief Chirau's ZUPU.

The Patriotic Front has put forward its own proposals for

BY OUR FOREIGN STAFF

Reuter

The current account recorded

January last year.	Agencies

\$2bn., as part of a record spending target of \$59.2bn.

By David Housego

•

CANBERRA, Feb. 5

metres along the Bassac river.
Reuter

The current account recorded

January last year.	Agencies

\$2bn., as part of a record spending target of \$59.2bn.

A black and white photograph of a classic Volkswagen Beetle, shown from a front-three-quarter perspective. The car is dark-colored and features a license plate with the text 'JKT 486R'. The image is grainy and has a high-contrast, almost halftone appearance.

Volkswagen have decided that National Carriers Contract Service is the most efficient way of getting their parts to where they're most needed, and we could provide the same service for you.

If you'd like to know more, call Brian Templar on 01-221 7088. He'll tell you how to get the best possible deal on transport and distribution available anywhere.

And you can relax on that.

A black and white line drawing of a National Carriers truck. The truck is a box truck with a large rectangular cargo box. On the side of the cargo box, the words "NATIONAL CARRIERS" are written in a bold, sans-serif font. The truck has a prominent front grille with horizontal slats, a large windshield, and a single round headlight visible on the left side. The wheels are depicted with simple lines representing tires and axles. The overall style is that of a technical or promotional illustration from the mid-20th century.

NATIONAL CARRIERS KNOW HOW

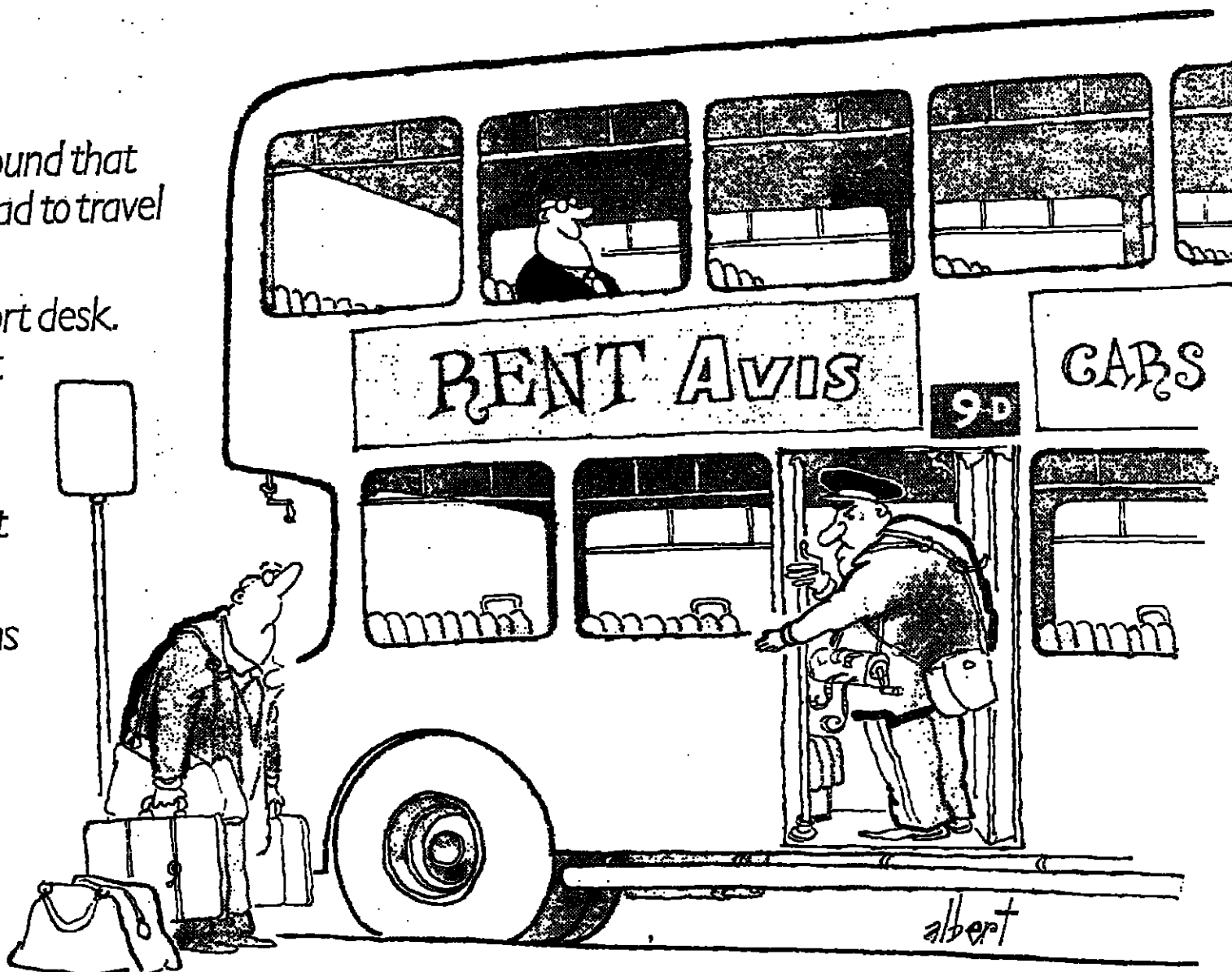
Like the time an Avis manager, returning from abroad, found that his car had been rented out due to a sudden demand for cars, and had to travel home by public transport.

Like the time a customer turned up at our Glasgow airport desk, was in a panic because he was late for a lecture he was giving at University. No Avis car was available, so one of our Avis girls lent him her own for the evening.

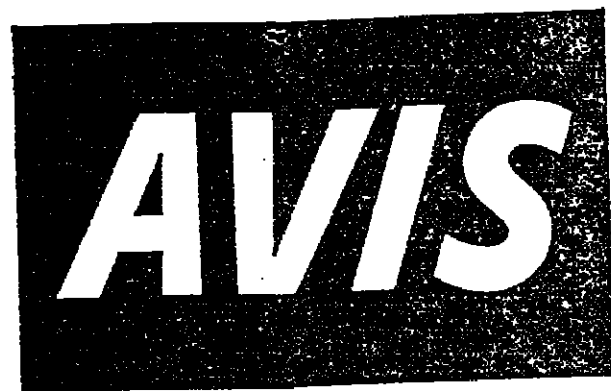
Like the way we have nearly 70 offices dotted throughout the country, most at major cities.

Like the fact we have more cars at more airport locations (in all) than any other car rental company.

At Avis, we really do try harder.



No one tries harder than Avis.



We rent Chrysler and other fine cars.

HOME NEWS

Shell-Esso move toward Cormorant development

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL and Esso have taken an important step towards the development of the North Cormorant oil field north-east of the Shetland Islands.

The companies are expected to spend £500m on exploiting the northern field which should begin producing Britain's offshore oil production late in 1981 or 1982.

Although the Boards have yet to sanction the project, it has been decided to commission CJB-Earl and Wright to design a steel production platform.

If plans are approved by the Department of Energy the order for the £50m platform-support structure should be awarded late this year. It is thought that the work could go to a Scottish builder.

Shell, who has also used concrete platforms for exploiting oil reserves in northern waters, said yesterday that a steel structure was now being evaluated because of the characteristics of North Cormorant and because of seabed conditions.

The steel platform will be pinned to the sea-bed, in a depth

of 160 metres of water, with large piles. It is expected that the platform will be floated in its location on a barge and installed in late 1980 or early 1981.

North Cormorant is rated as a medium-sized field by North Sea standards. Its estimated recoverable reserves are some 400m barrels, while peak output should be around 180,000 barrels a day.

Oil from the field will be transported to Sullom Voe in the Shetland Islands via the Brent pipeline network. It will be carried a few miles in a spur line to the Cormorant field platform where it will be mixed with oil from other fields, including Brent, Dunlin, Murchison, and Tistide.

Shell and Esso, partners in North Sea operations, are among the busiest operators in the U.K. offshore sector. Apart from developing Brent, Cormorant, Dunlin, and Auk fields, they have recently committed themselves to exploiting the Fulmar field in the central North Sea.

Meanwhile Pan Ocean Oil

Corporation, a Marathon Oil subsidiary, has released details of two encouraging oil wells sunk on the Brae field structure in block 16/7.

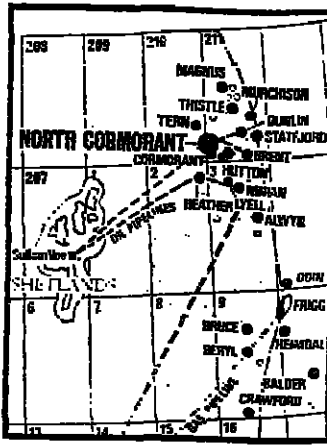
Well number 10 drilled in the block, tested five intervals within an 887 feet gross section of oil-bearing rock. Production tests of three of the intervals produced flow rates of 3,750, 5,950 and 2,560 barrels of oil a day respectively.

Tests of the other two intervals were conducted for reservoir engineering purposes; these yielded only small volumes of oil.

The eleventh well drilled in the block was also sunk on the southern portion of the Brae structure. This produced even more encouraging results.

Production tests were conducted on five intervals within an 837 feet gross hydrocarbon section. These flowed at maximum rates of 740, 5,704, 3,958, 6,643 and 7,073 barrels of oil a day respectively. There was a large amount of gas found in both wells.

Pan Ocean said that a twelfth well would be drilled on the



South Brae structure as a continuation of the evaluation programme.

The group is operator for a consortium that includes Ashland Oil, British National Oil Corporation, Bow Valley Exploration, Canadian Ashland Oil, Louisiana Land and Exploration, Saga Petroleum, Siebens and Gas, and Sunningdale Oils.

Minister's bid to reassure business community

By Peter Riddell, Economics Correspondent

AN ATTEMPT to improve the relationship between Government and industry was made last night by Mr. William Rodgers, the Transport Secretary.

He said that "industry must recognise the legitimacy of a Government's role in its affairs, while at the same time Government must also define and exercise that role as not to hamper business efficiency."

Mr. Rodgers, who was speaking at the annual meeting of the Institute of Petroleum, argued that the Government's industrial policies, including proposals for industrial democracy and planning agreements, were intended to promote fruitful co-operation.

He also defended the Government's stance on pay sanctions which highlighted "the need to think carefully about relationships and roles."

Mr. Rodgers pointed out that "The national interest, as the Government is entitled to defend it, does not always lend itself to such precision. The management of the economy requires executive action. This is particularly so when there is an overwhelming need to bring high and unacceptable levels of inflation under control."

Throughout the speech, he tried to answer industry's concern about Government intentions, arguing that a massive volume of industrial investment will continue to be privately managed and funded.

"It means that the decision about which goods to produce and market, where, and how intensively will be taken within the firm as a response to consumer needs. It means that our tax system must be made to recognise the role of initiative and enterprise."

"Above all, we must welcome profits as a good thing, as long as they are not achieved by any abuse of monopoly power."

He said he could not see why industry should be a reluctant partner in planning agreements "if they are approached as a means of deepening and formalising the close relationships which already exist between government departments and individual firms."

Mason plea to companies on Ulster economy

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A STRONG plea for business to invest more in Northern Ireland was made in London yesterday by Mr. Roy Mason, Northern Ireland Secretary.

"The best financial inducement package of any country in Western Europe" was available as a spur to incoming business, he told a conference on investment in the province organised by the Confederation of British Industries.

In areas of particularly bad unemployment—which ranges from 25 per cent and 35 per cent among men in some towns—the inducements range to half the cost of buildings and plant. Mr. Mason said that the best facilities available in the rest of Britain were the 22 per cent available in the relatively small number of special development areas.

The region also had many advantages: since 1969 manufacturing output had risen by 14 per cent; productivity was up by 37 per cent; and exports by 104 per cent. All these figures were better, he said than for the U.K. as a whole.

Industrial relations had been consistently better than in the U.K.; last year 91 days were lost for every 1,000 workers through industrial stoppages compared with 140 in the U.K.

Ford's U.K. plants 'not less productive'

FINANCIAL TIMES REPORTER

A PRESSURE group claimed yesterday that Ford U.K. plants were not less productive than its other facilities in Europe, despite the company's constant claims to the contrary.

Counter Information Services, in a new Anti-Report on Ford published yesterday, said that even now, after years of low investment in Britain, the labour cost of each Ford car produced in Britain was lower than in any other Common Market country.

The company was exporting more than 100,000 cars from the Continent to the U.K., even though this cut the profit on each car by \$800.

This decision to reduce the role of the British subsidiary had provided the opportunity to British plant as productively as its other facilities in Europe.

"Ford's own calculations assume no more stoppages in Britain than in France or Spain and an achievement level only 3 per cent below that of the Germans."

The report suggested that Ford's transfer pricing policy were dictated by the desire to take its profits in certain countries. "The financial flows often bear no resemblance at all to the reality of cars and parts rather than produce them in the U.K., even though this cut the profit on each car by \$800."

about 20 per cent of the world's capacity for MDI with plants at

Imperial Chemical Industries is to close down a plastics intermediate plant at Burn Hall in Lancashire at the end of the year because of ICI's decision to pull out of the market for toluene diisocyanate, the key intermediate for the production of flexible polyurethane foams.

The plant, which has a capacity of 15,000 tonnes a year, has fallen behind the economic size of world-scale plants.

There are about 20 other manufacturers of TDI around the world with the West German major, Bayer, holding about one-third of installed world capacity. The market is currently suffering from over-capacity and depressed prices.

Rather than continuing to compete with small resources, ICI has decided to concentrate its efforts in this sector on MDI (methylene diisocyanate) isocyanate, the intermediate chemical for rigid polyurethane foams.

The Burn Hall TDI plant near Fleetwood, which is to close, represents only about 2 per cent of world capacity. But ICI estimates that it currently holds

of New Jersey, one of the first successful state lotteries in the U.S. Since then, lotteries have spread rapidly with states such as New York, Ohio and Delaware raising tens of millions of dollars of revenue each year through the sale of tickets.

One popular system is the instant lottery. The purchaser buys a ticket and uncovers hidden numbers on it which tell him immediately whether he has won a prize.

Mathematica has designed computer systems and accounting methods for running lotteries although according to the company the business accounts for only about 10 per cent of its revenues.

Under the agreement, Ladbroke will market and operate instant lotteries in the U.K. using Mathematica's systems. The agreement calls for the supply of a minimum of 50m lottery tickets to Ladbroke this year and a similar amount in 1979.

Ladbroke estimates that sales could reach 200m tickets in the first full year of operation. Mathematica says that in the U.S. the sale of 50m tickets brings in the company between \$500,000 and \$1m in revenues.

He added that he did not consider himself a co-conspirator of Mr. Binstock nor did he hope to tell us about, to cause you to wreck." Questioned about share Monday,

conceal the name of Binstock dealings in 1974 involving the

from the authorities in this Binstock-controlled EIC Securities of London. Mr. Altman replied that there were no such dealings.

Mr. Altman replied that there were no such dealings. He agreed that Mr. Binstock's name was never mentioned to Treasury and that he had not been involved in the Binstock deal.

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Inflation levels out at 6%

By Elinor Goodman, Consumer Affairs Correspondent

FURTHER SURVEY data on underlying rate of inflation has stopped falling and has reached a plateau at around 6 per cent, the Office of Manpower Commission's index shows.

The figures, which include a warning from the Institute of Purchasing and Supply about price rises, were accompanied by statements from Mr. Charles Williams, the commission's chairman, about the implications for prices of wage settlements exceeding Government guidelines.

Settlements outside the guidelines would lead to companies raising prices to recover the costs incurred. This would lead, in turn, to a rise in the index, he said.

The index is based on price rises notified to the commission. It usually gives advance warning of three to four months of movements in the Retail Price Index. The rate of increase fell steadily for the nine months to November.

The underlying rate in December showed a small rise which was maintained in January. In the six months to the end of January, the index rose by 2.3 per cent.

Expressed in an annual rate, these six-month figures mean that the rate of increase in the index is now running at 6 per cent—the same as in December. The number of individual price rises notified last month was slightly down on December.

The Institute of Purchasing and Supply, which represents buyers in large companies, said yesterday that, in spite of the Government's apparent optimism about inflation, its own figures still made worrying reading.

The average price rise notified to its members was 10.16 per cent, against 8.2 per cent in December.

The institute's figures are not weighted to take account of the importance of the price rise notified or of prices which do not go up as they give a cruder picture of what is happening to inflation.

The levelling-off in the underlying rate of inflation in the Price Commission's index is similar to that shown by the Wholesale Output Price Index published earlier this week.

The Government has agreed that present limits on retailers' profit margins on coffee should be dropped two months early in view of the falling retail price of instant coffee.

Last September, the trade agreed to limit its gross margins on certain big selling coffee brands for six months.

The two sides have now agreed that there is no point in continuing the scheme.

Engineers split over registration

By Kenneth Gooding, Industrial Correspondent

SIR MONTY FINNISTON'S Government-sponsored Committee of Inquiry into the engineering profession has received conflicting recommendations from three major institutions about the statutory registration of chartered engineers.

This became clear yesterday after the Institution of Civil Engineers gave some details of its evidence to the Finniston Committee and said that it had major reservations.

The two other main professional engineering institutions have come out strongly in favour of statutory registration but differ on how it should be regulated. The Institution of Mechanical Engineers suggested that compulsory registration should be supervised by the Council of Engineering Institutions.

The Institution of Electrical Engineers, in what was widely considered to be a snub to the CEBI, insisted on independent supervision.

In its evidence, the Civil Engineers' institution insists that the major consideration must be the competence of professional engineers. Other factors—such as the improvement of image and status which might arise from statutory registration—are of secondary importance.

It does not turn its back entirely on the registration concept but suggests that supervision should be by the CEBI. The civil engineers feel that an independent supervisory body would have trouble finding enough people competent to judge professional engineering standards.

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Recession cuts State revenue

By Peter Riddell, Economics Correspondent

THE RECESSION in the economy probably has accounted for more than a third of the recent public sector deficit by cutting revenue and boosting expenditure, according to a Treasury estimate published yesterday.

For the first time the Treasury has attempted to show the detailed impact on public sector finances of changes in the level of economic activity. But it remains sceptical about the usefulness of the adjustment, especially any precise calculations.

The idea of a full employment budget balance had been widely urged by academic economists and other commentators, including the National Institute, as a measure of the underlying stance of the Government's fiscal policy.

The Treasury develops the concept of a standardised budget balance based on a constant level of employment, not necessarily equivalent to full employment. This measures the balance which would occur with the same nominal tax rates and public spending plans if private sector demand was just sufficient to hold activity at a constant level.

The illustrative estimates have been calculated for 1976 on the assumption of a level of activity consistent with 3 per cent unemployment, rather than 5.4 per cent, average in fact.

This shows that receipts would have been about £3.5bn. higher, mainly through a rise in personal tax and expenditure tax revenue, while public spending would have been about £400m. lower.

So, the public sector deficit would have been about £3bn. less than the figure of £3.3bn. actually recorded.

This is revealed in an article in the Treasury's monthly Economic Progress Report, based on a Treasury Working Paper.

Investment in energy projects to remain at £3.7bn. a year

BY RAY DAFTER, ENERGY CORRESPONDENT

ENERGY investment in the U.K. is expected to remain about £3.7bn. a year for the next few years, according to a Government report.

After declining slightly in the early 1980s, spending on energy projects should rise again to more than £5bn. a year in the 1990s.

The figures, all in September 1976 prices, are in a report to be discussed by the Energy Commission on Monday. Energy investment, which accounted for 3.25 per cent of the gross domestic product in 1976-77, should return in the late 1980s to the annual average level of 2 to 2.5 per cent of GDP prevailing in the period from 1960 to 1973.

Although spending on offshore oil and gas production is likely to decline significantly by the mid-1980s investment in the electricity supply industry will more than compensate.

For example, spending on oil and gas production (excluding British Gas Corporation's offshore investment) is now running at some £2bn. a year.

By the mid-1980s offshore work could be accounting for less than £1bn. annually, at 1976 prices. But investment in electricity generation—£570m. in the current financial year—is expected to rise to over £2.5bn. in the mid-1990s.

The report says that in reaching towards a long-term energy policy there will be choices between various strategies and an important factor will be the total cost of developing different energy resources.

For the first time Government spending projections include investment in a North Sea gas-gathering system. Such a network of gas-collecting pipelines could cost between £2bn. and

£5bn., depending on the complexity of the system.

In addition it is estimated that if the Government agrees to the construction of a Severn Barrage electricity generation scheme, the cost could be in the region of £3bn. to £4bn.

Another report to the Commission states that energy prices should reflect long-term costs in order to guide customers on equipment investment and indicate to energy producers the amount of production capacity needed.

The report says that the role of prices is to reflect in energy demand the changes that are taking place in the costs and pattern of production. They should neither stimulate additional production capacity or demand in areas where it cannot be sustained, nor force contraction in

areas where it would later be needed.

The Commission is likely to spend some time discussing the relative prices of various fuels. Once again the pricing policies of British Gas will probably be called into question by those in the electricity and coal industries.

Coal and electricity producers have claimed that gas is being sold too cheaply and that in order to maintain more of a competitive balance and to encourage gas production gas prices should be increased.

British Gas has strongly opposed such a move, however, maintaining that it is charging realistic prices.

Energy Investment, Energy Commission Paper No. 7, and Energy Pricing Principles, Energy Commission Paper No. 8, Department of Energy.

THE DEPARTMENT of Energy believes that nuclear power will be significantly cheaper than the output of coal-fired power stations during the next 22 years.

Central to the department's calculations is the assumption that the costs of all fuels are going to continue to rise between now and the year 2000.

The larger the increase, the more the comparison favours nuclear power, the department says in its Coal and Nuclear Power Station Costs paper published yesterday.

The research confirms that for coal-fired power stations the key cost factor is coal. In contrast

the key factors for nuclear power stations are construction costs and the performance of the station.

The department says nuclear power stations must have an advantage over coal-fired stations in the future unless coal costs are kept very low.

To arrive at a comparison between coal and nuclear station costs the department considered the investment decision on a single imaginary power station looking at alternative nuclear and coal designs.

The report concludes that nuclear is a less established technology and is more dependent upon achieving its design performance.

The report stresses that, although coal and nuclear are treated in the analysis as alternative fuels, they are being treated as complementary fuels in the Government's power policy.

Coal and Nuclear Power Station Costs, Energy Commission Paper No. 8.

Production of beer falls

BEER PRODUCTION fell for the first time since 1965 last year. The fall was 0.6 per cent on the record 1976 level to 39.56m. bulk barrels or 11.48bn. pints, writes Kenneth Gooding.

This is more or less in line with the Brewers' Society forecast made in January last year that output would fall about 1 per cent.

Production received a boost in the last two months of 1977 because there was some stockpiling ahead of price increases expected early this year and this distorted the outcome to some extent.

The Society is looking for an increase in output in 1978, particularly towards the end of the year, as long as there is no rise in beer duty or VAT and the Chancellor reduces direct taxation, thus putting more spare cash in people's pockets.

ing fund exchange control fraud involving \$6.6m. of foreign currency passed off as investment currency.

Mr. Altman said his firm took legal advice after the Treasury started to make inquiries into transactions involving companies controlled by Mr. Binstock. "In the eyes of our lawyers, it was not thought necessary to include the name of Mr. Binstock in our answers to the Treasury."

Both Mr. Altman, 58, and his partner, Mr. Robert Carver, 31, have denied conspiring with Mr. Binstock and others to conceal the name of Binstock dealings in 1974 involving the

from the authorities in this Binstock-controlled EIC Securities of London. Mr. Altman replied that there were no such dealings.

Mr. Altman replied that there were no such dealings. He agreed that Mr. Binstock's name was never mentioned to Treasury and that he had not been involved in the Binstock deal.

He added that he did not consider himself a co-conspirator of Mr. Binstock nor did he hope to tell us about, to cause you to wreck." Questioned about share Monday,

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HOME NEWS

Underwriters issue writ for £1.6m.

BY JOHN MOORE

F. H. SASSE, the Lloyd's underwriting syndicate suspended last December, has issued a writ to the state-owned Brazilian reinsurance group Instituto de Reaseguros do Brasil (IRB) claiming \$3.14m. (£1.6m).

Mr. Frederick Hugh Sasse, suing on behalf of himself and his syndicate, issued a High Court writ last Friday. The claim is alleged to arise out of 1,300 contracts made through the syndicate's Florida agents, Den-Har Underwriters, by which clients were insured against damage to their buildings up to the first \$500,000.

The syndicate has met valid claims under some of the policies, and alleges that IRB, said yesterday that a report would be completed towards the end of this month.

"We have been working on this case since the end of November," Mr. Bishop added. "Our overall mandate was to look at the entire situation."

IRB's solicitors, Elborne Mitchell, said yesterday that they were reserving IRB's legal position until the report was complete. "We will not make an attack on the validity of the reinsurance until the investigation is complete," said senior partner Mr. Stephen Mitchell. Any insurer can deny liability if material information has not been disclosed.

The president of IRB, Dr. Jose Lopes de Oliveira, is expected in London later this month.

Claim about safety prompts review of gas plant plan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A SUBMISSION from a protest group that radio transmissions could pose a safety risk if a Shell-Eso proposal to site a North Sea gas separation plant in Fife is approved has led the Government to look again at the plan.

A lengthy public inquiry was held last year and in a Commons answer Mr. Bruce Millan, Scottish Secretary, indicated that he would give a decision by Christmas.

No decision has been announced, however, and the admission yesterday that Mr. Millan was considering the report sent to him by protesters last month, and consulting other Government departments alterations could explain the delay.

In the report, the Aberdeen and Dalgety Bay Protest Group said there was a number of transmission stations in the North Sea area by the armed services as well as commercial broadcasting organisations. Ships going up the river to Grange-mouth also sent out signals.

The level of transmissions could thus be above that recommended by the British Standards Institution as safe in areas where there were hazardous installations, and could ignite any inflammable material that leaked from the plant or the tanker terminal.

Mr. Dick Mehta, a member of the group, said that they had become concerned about the effect of radio transmissions after hearing of studies being undertaken to assess the effect of the Navy radio base at Crimmond, Grampian, on the gas terminal being constructed nearby at St. Fergus.

The Shell-Eso project was first delayed when the partners decided to abandon a site at Peterhead and transfer to Fife. They have a contract to export butane and propane from the plant to the U.S.

Protest against the Fife site have also been raised by farmers living along the proposed pipeline route from St. Fergus to the site. A decision on whether a public inquiry should be held into the pipeline project has not yet been made by the Department of Energy.

Shipowners complain of Indian aid deal

By Lynton McIn, Industrial Staff

MRS. JUDITH HART, Minister for Overseas Development, will be told by British shipowners today that the proposed \$52.5m. Indian ships contract should not be signed unless British owners are given a similar deal.

The shipowners, led by Mr. Peter Walters, president of the General Council of British Shipping, are demanding, in effect, free ships in response to the decision by Mrs. Hart to persuade India to buy British ships using British overseas aid.

Six ships are to be ordered, using British foreign aid to India which was underspent by £20m. in 1976/77.

The delegation will tell Mrs. Hart it welcomes British shipbuilders' successes overseas.

"But the Indian deal is a different matter," Mr. Walters said. "There may be short term benefits for British yards, but these will create lasting damage to Britain's shipping industry."

In 1976, they earned £1bn. in foreign currency. Mrs. Hart will be told that the Government should give an assurance when allocating foreign aid that this invisible trade should be given the same consideration as visible exports.

Meanwhile, Mr. Michael Grylls, MP, vice-chairman of the Conservative industry committee, said the money would be better spent buying British Leyland tractors for India. This would help the rural poor and would help Britain, he said.

Consumers may be given more light bulb facts

BY LYNTON MCIN

CONSUMERS MAY be given more information on light bulbs, the Department of Prices and Consumer Protection told the House of Commons committee inquiry into lamp durability yesterday.

"We may have to do something in the future, but this is a matter for the Government," Mr. Douglas Byrne, Under-Secretary, fair trading division, told MPs.

British lamp makers have no statutory duty to declare lamp life or light output but in the U.S. the information is required by law following a Federal Trade Commission ruling in 1971.

The ruling states that it would be an "unfair method of competition and an unfair and deceptive act" not to disclose this information.

Lamp replacement costs also came in for questioning at yesterday's meeting. The Property Services Agency, which looks after Government buildings, had approved advice in an Energy Department booklet that fluorescent tubes should be replaced just before the rated lamp life was reached, even though only 7 per cent of the lamps would have failed.

It was a "profound matter that no studies into true replacement costs had been carried out by the Energy Department," Mr. Leadbitter, MP, a member of the committee, said.

The whole area of lamp life and replacement costs was vague, said Mr. Arthur Palmer, MP, the committee chairman. He described the 1,000 hour life of domestic tungsten filament lamps as an "arbitrary choice" which had been decided years ago.

These questions had not been investigated by the Prices Department and there was "no reason why it should look at the 1,000-hour standard lamp life or at technical considerations about long life bulbs," Mr. Byrne said.

U.S. seeks tanker aircraft base

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT is considering a request from the U.S. Air Force to use the RAF airfield at Greenham Common, near Newbury in Berkshire, as a base for up to 15 long-range KC-135 tanker aircraft.

The request—military versions of the Boeing 707 airliner—are used to refuel fighters and bombers in mid-air. The U.S. Air Force wants a base for these tankers in the U.K. to enable it to refuel aircraft en route between the U.S. and parts of NATO Europe.

The airfield is no longer used for regular RAF flying because of successive defence cuts and the rundown in the armed forces.

At one stage, it was used by the U.S. Air Force as a bomber base.

January housing starts up 10%

By Michael Cassell, Building Correspondent

PRIVATE housebuilding output in 1978 got off to a good start, according to the National House Building Council.

The figures come as a welcome contrast to the private housing sector's performance towards the end of 1977, a year in which house building output fell to one of its lowest points for over a decade.

The NHBC says that contractors began work on 10,848 homes during January against only 9,800 in the previous month and 7,500 in the same month of 1977.

According to the NHBC, the performance represents the best January output since 1973 and is 10 per cent above the January average for the last five years. It remains, however, 13 per cent below the average January output recorded in the preceding five year period.

The NHBC estimates that private sector completions during January totalled 12,285, compared with 12,400 in December and 10,200 in January, 1977.

The NHBC commented: "These encouraging January starts indicate that builders are now responding to the ready availability of mortgage funds and the strong underlying demand for home ownership."

"The most important factor now working against revival seems to be concerned that land shortages may force up prices once again."

Estimates suggest that private housing starts this year should rise to around 155,000 against 134,000 in 1977. If average prices do rise substantially, however, and demand is maintained, then builders may be encouraged by the prospect of healthier profits to step up output beyond the levels currently anticipated.

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Minister to open grain silo

By Rhys David

A NEW 33,000 tonnes grain silo at the Royal Seaford grain terminal is to be opened in Liverpool Docks tomorrow, by Mr. Albert Booth, Secretary for Employment.

The silo will increase capacity by about one-third and will feed a new soya bean processing plant which has been built alongside the terminal by Continental Grain. Other processing mills at Royal Seaford are already operated by Kellogg's and Allied Mills.

The silo is 270 feet long and 100 feet tall and linked to the main silo by overhead conveyors controlled from the main control room. Land is available for a third silo.

The terminal began the new year by discharging the biggest ever single shipment of grain to arrive in the United Kingdom—65,590 tonnes of wheat and yellow American corn.

Throughput at the terminal for 1977 beat the year's target figure of 1.5m. tonnes by 80,000 tonnes and was almost 400,000 tonnes higher than 1976.

Change of name for Tyne shipyard

A TYNE shipyard has changed its title. Swan Hunter Ship Repairs, Tyne, of North Shields—part of the Swan Hunter group—is now known as Smiths Ship Repairs, North Shields.

LABOUR NEWS

Ford strike costs £45m.

BY PHILIP BASSETT, LABOUR STAFF

FORD will have lost more than 20,000 Escorts worth £45m, by tomorrow night because of a strike by 1,000 press room workers at its Halewood plant on Merseyside.

Ford has laid off 10,000 men at Halewood and a further 1,700 at its Southampton factory. If the strike, now drawing to the end of its fifth week, goes on, it will affect Ford's main U.K. plant at Dagenham and could cripple Ford's efforts to maintain its 30 per cent share of the U.K. market.

Five points

The issue behind the stoppage is, for the employees, the classic one of production line tedium. Ford management sees it as one of stamping out "inefficient and counter-productive" customs and practices.

The strike started on January 9 after the breakdown of six weeks of talks on a Ford plan designed to end certain work practices in the body plant press shop.

The nine-point plan, described by Ford as "a set of working guidelines," is:

- 1—The men must work to the speed of the production lines;
- 2—No automatic rest period every hour. Production lines are to stop only when the rate for the line is achieved;
- 3—No changing round of jobs

every hour. Only one job rotation per shift is acceptable;

- 4—Working ahead after the first five hours—building up work to give longer rest periods—can remain but is to be reviewed;
- 5—Line operators will not be leave their place of work without the permission;
- 6—Operators are responsible for quality and must be told by their supervisor to watch for faulty panels, parts missing, etc.;
- 7—Hourly counts of pieces of work done must be factual; booked down in minutes;
- 8—Any failure to achieve the line rate will be booked to production inefficiency and must be recovered before the operator is allowed to stop work.

The crucial clause is point three, on job rotation. At one stage in talks during the strike, agreement was reached on all other points, though agreement on points two and nine has now been withdrawn.

Parts of the Halewood plant of a job rotation system were already, changing jobs every hour to vary the hardness and monotony of the work. The plant produced 160,000 cars last year, management wants to end this a 12.5 per cent drop on the total practice—but the men would like for the previous year.

The 1977 figure comes close to the plant's worst-ever year in 1975 when only 154,000 cars were made in a plant which has a four hours of each shift—but the production capacity of 1,500 cars men see that as a worsening of a day.

Toolroom leader to campaign for Wright

By Alan Pike, Labour Correspondent

MR. ROY FRASER, leader of the British Leyland toolroom workers' committee, is to campaign in support of Mr. Bob Wright in next month's election for the presidency of the Amalgamated Union of Engineering Workers.

Mr. Wright, assistant general secretary, faces Mr. Terry Duffy, Midlands executive member, in the final round of the contest to decide who succeeds Mr. Hugh Scanlon.

Only 350 voters separated the two men at the end of the first round in October, with Mr. Duffy slightly ahead.

In October, Mr. Fraser was himself a candidate and, with 19,071 votes, topped the list of eight eliminated contenders. His decision to involve himself in the second round should help to transfer many of these votes to Mr. Wright.

Ballot papers in the election, which is by postal vote, go out early next month. The winner should be known by the end of April.

SAUEW members at Leyland's Convey body plant, where Mr. Fraser convenes, have rejected the company's new security of earnings package approved by senior Leyland shop stewards earlier this week.

Jobs demand by union

THE GENERAL and Municipal Workers, Britain's third biggest trade union, last night called for more work-sharing and job creation as a way of curing unemployment.

The executive, meeting in London, decided to urge officials to aim at creating more jobs when negotiating deals with employers. Mr. David Baggett, the general secretary, said the Government must direct more money to creating jobs.

TETHER CONTINUES EVIDENCE TO TRIBUNAL

Lombard 'won a reputation'

MR. GORDON TETHER, the Financial Times specialist writer, dismissed after a dispute over editorial control of his daily column, told an industrial tribunal yesterday that Lombard would not have won the reputation it did if he had written in a style manifestly short of the requirements of a quality newspaper.

Mr. Tether, 64, wrote the Lombard column in the Financial Times for 21 years and seeks reinstatement. He claims he was unfairly dismissed and has rejected the newspaper's compensation offer of full pay until retirement age.

Mr. Tether said that the directive addressed to him by Mr. Fredy Fisher, the editor, in July, 1974, restricting him to certain subjects was perhaps the most important development in the dispute between them. This directive, he alleged, constituted a fundamental change in his terms of employment.

It was "absolutely clear" from the range of articles he had been writing with the authority to match the newspaper's standards. That, however, did not mean that he was a latterday Leonardo da Vinci.

Mr. William Wells, the tribunal chairman, commented: "It is a pity you cannot call Leonardo da Vinci into the witness box."

Mr. Tether replied: "I am sure he would have been on my side."

"It must be evident that if I had been writing with the authority to match the newspaper's standards, that, however, did not mean that he was a latterday Leonardo da Vinci."

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The Halewood shop stewards have applied to the Transport and General Workers' Union to make the strike official. Mr. Evans, TWGU general secretary, has asked for information as he considers application.

A decision may come next week, but the issue is complicated by the 14-week-old strike at British Leyland's Mersey plant at Speke.

That, too, is unofficial. Members of the same union of broadly similar work and over work practices and demands.

Union officials feel that if strike is made official, the will have to be. In Leyland, a 35-day dispute pay is backdated to when it started would total £170,000 large sum, even for the TWGU.

Suspicion dogs industrial relations at Halewood. Mr. D. Palmer, north-west region officer for the TWGU, said: "There seems to be a very intense in Ford in 'lab unrest'."

But a Ford official said: "It is not a type of UOI Halewood."

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Oil boycott threat to public buildings

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

TANKER drivers in the West Midlands threatened yesterday to halt fuel supplies to public buildings if the Government implements sanctions against firms breaking the 10 per cent pay guidelines.

The move was prompted by withdrawal of a Ministry of Defence contract, worth around £12,000, from T. Baker and Sons, a Tipton haulage company, to have paid drivers an extra 15 per cent.

Mr. Geoff Parkes, secretary of the committee co-ordinating action by drivers in support of a £31 a week pay claim, said a fuel embargo would be imposed if any other local companies were breaking the 10 per cent guidelines.

"We will stop all deliveries of petrol, diesel and heating oils to army camps, town halls, social security offices and schools. Only hospitals will be exempt."

Some 10,000 drivers in the West Midlands already won 15 per cent wage increases in breach of the Government pay policy.

Govan rejects pay-offs

GOVERNMENT PLANS for redundant shipyard workers to be rejected unanimously by the 5,000-strong workforce at Govan Shipbuilders yesterday.

At a mass meeting the Upper Clyde men reaffirmed their total opposition to any redundancies in the industry, whether voluntary or compulsory.

Mr. James Airdie, shop stewards' convenor, spoke of the dangers of "selling jobs" and bringing about a serious contraction of shipbuilding in the U.K.

He said later: "We are not opposed to any individuals who have had a lifetime of service in the industry seeking early retirement with an adequate lump sum, but we are vigorously opposed to younger men selling their jobs."

The Govan stewards will be last night from Mr. John Chalmer, who is convening a meeting of the shipbuilding committee at a national conference of Shipbuilding delegates being building and Engineering organised in Newcastle on Union.

Government publishes new jobs Bill

THE ENABLING Bill which will make it possible for the Government to continue its temporary job support measures and introduce new ones was published yesterday.

Under the Employment Subsidies Bill the Government will be able to continue the temporary employment subsidy, expand the small firms employment subsidy, and introduce more schemes to deal with unemployment.

The Government and the EEC are discussing the future use of employees on short-time working.

June, 1975, telling him he was to see Mr. Fisher to discuss their dispute. However, after the more articles which faked over National Union of Journalists (NUJ) Newspaper Publishers Association, disputes procedure was formally invoked by the NUJ. Mr. Fisher never the last week of 1977 the hand of the dispute was not his responsibility.

Mr. Fisher's intention was not to prevent the raking over of old arguments but to exploit the fact that the EEC referendum was over in order to stop him writing about the EEC issue.

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Work begins at fifty

REDUNDANT businessmen in their fifties and older are being offered a new lease of working life by the Department of Industry as part-time counsellors to small businesses.

The Department wants to recruit 20 redundant or retired executives for its counselling scheme for small businesses in the West Midlands.

More vacancies could occur shortly in other parts of the country, since national coverage for the scheme is planned by this summer.

First winner of commerce award

Financial Times Reporter

MISS LORNA DUNCAN's swift rise through the ranks of commerce made her the first winner of the Westminster Chamber of Commerce Silver Jubilee Award presented to her yesterday by Lord Craghead, Chamber President.

The annual award is given for outstanding contributions to commerce by young business people. Three other entrants received certificates of merit.

'Which?' says premium bond publicity misleads public

THE GOVERNMENT advertising campaign for premium bonds "misleading," according to "Which?", the Consumers' Association watchdog magazine.

It gives a false impression by suggesting that investors in premium bonds cannot lose their stake money.

But that is the wrong approach, the magazine says. Since premium bonds pay prizes, but not interest, investors are not betting their stake money, but the interest they could have earned by putting money in banks or building societies.

Premium bonds are "a gamble and nothing but a gamble," like greyhounds or Russian roulette, contrary to suggestions in the advertisements.

But they need to hold bonds "for hundreds, even thousands, of years to be reasonably sure of getting close to the average rate of prizes" or just under a 6 per cent return.

The likelihood of winning nothing with 10 bonds is virtually "foolproof"—almost 99 in 100, the magazine says over a year.

Getting the biggest prize of £100,000 with a £10 stake is like winning a raffle in a competition with the combined population of Wales, Scotland and Northern Ireland.

But the odds improve with more bonds, and as a gamble, premium bonds are a better bet at current rates of interest, than football pools.

Believe it or not
some people don't give you your money back
when you lose



PREMIUM BONDS
you never lose your stake money.

Technical Page

ELECTRONICS

Looking ahead into the 1980's

likely trends in the semiconductor industry have been publicised by Motorola's European marketing director, Dr. Peter J. H. Smith, at a seminar on the subject of which point up the industry's crucial role in the development of microprocessors. The main point is that the cost of a microprocessor will fall from about \$100 in 1977 to about \$10 in 1980, and then to about \$5 in 1985. This will be a significant factor in the development of microprocessors, which will be taking another step forward by the early 80s. Thus, a 100 computer of the early 70s with 16 bit processor and 64 bytes of store will be replaced by a mere \$100 at today's prices.

But as others have pointed out, the problem will not be connected with hardware, but in paying people to use it. Motorola's marketing director for microprocessors, Daniel J. Smith, suggests that people will perhaps 25 lines of code per day at \$10 a line will be a standard wage package employing high level languages will be a new reality.

Dr. Smith's arm to 1985, the company predicts there will be million elements on a chip opposed to about 20,000 at present, making a 32-bit microcomputer possible.

Then, circuit imaging will be progressed from projection lithography through electron beam

MATERIALS

Improved contact lenses

A HARD contact lens that is gas-permeable has come through a series of laboratory and user tests in the U.K. and is expected to be more widely available through opticians this spring.

The lenses, which are claimed to be more durable than soft lenses but more comfortable and less prone to causing irritation than ordinary hard lenses, are being made under the brand name of Hartflex by the German company Woblich-Contact-Linsen.

They use cellulose acetate butyrate (CAB) which is claimed to have superior "wetting" characteristics, be less brittle, and have greater thermal conductivity than its competitors.

The life of these lenses is expected to be as long as an ordinary hard lens, but the slightly softer surface means that more care has to be taken in handling to avoid scratching the surface is slightly hydrophilic, absorbing about 2 per cent water.

Prices are likely to fall between those for hard and soft lenses. There are expected to be four competitors in the field this year, three from Germany and one from the U.S.

OFFICE EQUIPMENT

Desk-top copier

FOR USERS needing from 200 cool pressure bonding process, 1,500 copies a month, 3M and copiers can be made from a range of originals including half-cassette-tape automatic desk-top copier.

First copy is produced in eight seconds and the rest at 7/minute. The 150-sheet cassettes are in wide, from the maker at PO Box two sizes—A4 and foolscap, 1, Bracknell, Berks, RG12 1JU. Copying is by 3M's Magne-dry (0344 26726).

COMPUTING

Has twin information processors

LEVEL 66/DPS describes a new large Honeywell computer which includes twin information processors in one cabinet, a new systems control unit, an input/output multiplexer and one megabyte of 4K chip MOS main memory. A single GCOS operating system controls both information processors.

Each Level 66/DPS system also consists of a 64 kilobyte minicomputer integrated network processor (INP) that accepts up to 96 communications lines. These use Honeywell's newly announced general remote terminal supervisor/II (GRTS/II) software or the network processing supervisor (NPS).

Performance increases are achieved through the addition of options to the central system. Main memory can be added in increments of 512 kilobytes to the two-megabyte level, then in one-megabyte increments to a maximum of eight megabytes. Upgrades to network processor performance, additional main memory to 192 kilobytes and use of the more flexible NPS software, can increase communications processing power by as much as seven times that of the first level INP.

Honeywell's Scottish computer factory at Newhouse, Lanarkshire, is to build the new Level 66/DPS along with the other models in the large systems line, and the new system will be available, with all its performance options, in January next year.

RESEARCH

Vacuum pump fluid test

INDEPENDENT service trials at AERE Harwell have shown that Fomblin, a new vacuum pump fluid, is far more resistant to the action of corrosive materials than conventional fluids.

A report states that in an ion implantation system under conditions where conventional fluids typically lasted only a day, Fomblin lasted at least a year.

Considerable savings have been achieved through reduced fluid replacement and pump servicing costs and Fomblin has also made an important contribution to productivity by substantially increasing machine

HANDLING

Transported on air

TRANSFORMERS WHICH weigh from 50 to 600 tonnes are being moved at GEC Power Transformers' Stafford factory on air-cushion transporters specially built by Rolair Systems (U.K.).

Two transporters were supplied, one with a capacity of 350 tonnes, and one of 250 tonnes. They can be used singly with their own remote control consoles, or in tandem from one console.

Fitted with forward, reverse and transverse air motor drives, which can be operated independently at variable speed, the transporters are used to carry transformers between vapour phase drying ovens: when fully assembled, into a test bay, and finally outside the building to a storage area.

Each transporter is built on a steel skid, which enables the transporter to be driven underneath it. Lift is about 4 inches. Movement is controlled by one operator, and the transporter can rotate on its own axis. For these transporters high temperature bearings were developed, so that they can be used even when the oven is operating at full temperature.

Normally the transporters are powered by the factory air line at 80 to 90 psi, but in suitable locations water can be used.

Details from the maker, Penta House, Basingstoke Road, Reading RG2 0HS (0734 82551), into a horizontal loading

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Tel: 0723-51 4141 Telex: 52163

INSTRUMENTS

Measures stresses in steel

EQUIPMENT developed by the Central Electricity Generating Board for making accurate measurements of residual stresses in steel and many other materials, is being manufactured by Franklin-Stoller.

It makes measurements by centre-hole technique using Micro-Measurements residual stress rosette gauges. The required hole depth is less than 1.8 mm, thus measurements can be made on many operational components as well as experimental structures.

Accuracies better than ± 5 per cent, in equal biaxial stress fields reducing to ± 4 per cent, in uniaxial stress fields are normal. The high accuracy is achieved by using an air-abrasive process to cut circular holes and a high quality optical hole alignment and measuring unit.

Equipment is portable to meet site requirements. Depending on application, between four and eight measurements can be made per day.

Further from Franklin-Stoller, Dafford Works, Larkhall, Bath, Somerset BA1 6SW. Bath 314013.

METALWORKING

Eliminates breakages

ING A specially designed retractable tool, Pilon Engineering, Basingstoke, has solved the problem of cutting inside and outside diameter threads without an undercut and with no tool breakages.

The company—a member of the Richard Costain Group—designs and makes self-investing machine tools, which include production of castings (pipes) taking soil samples. The castings are 5 ft long and 3 or 10 inches in diameter, with 1 inch thick wall.

So that the castings can be used in lengths up to several hundred feet, they have a male lead on one end, and a female lead on the other. To prevent casing breaking in the ground there must be no undercut at the run out of the thread. Cutting the threads (4 TPI—25 inch square) with conventional equipment proved unsuitable due to lengthy production times and tool breakages.

The company designed a pneumatically operated retractable toolpost, which was built by Dicksons (Engineering) Ltd. The toolpost has been fitted to single and twin saddle lathes and to a twin saddle machine. The retractable aspect of the unit is that the tool is retracted before the lead on the lead screw is released. This is achieved by a retractable tool post, which has reduced production time per thread to about half an hour.

Tolerances are easily held within British Standards for thread cutting. The unit consists of four items—a retractable toolpost, control unit, control bar, and bracket. It replaces the normal lathe unit, and can be fitted to most lathes.

It can be set, with aid of an adjustable stop, and compound slide, to withdraw repeatedly a threading tool. Internally or externally, with great accuracy, it will return automatically to the threading position when the slide is returned to the start of the thread.

Advantages of the unit are increased, it is used in conjunction with a high-speed threading attachment which provides synchronised engagement and disengagement of the leadscrew nut. It can be used for all normal turning and boring operations, and can be set permanently on this lathe to replace the normal toolpost, if the air supply is disconnected.

Details from Pilon Engineering—on 0256 3881 and Dicksons (Engineering) on 02513 21281 (a 800 Group company).

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

BE

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Rivet setting, automatic parts feeding and assembly, net weighing machines—all make an essential contribution to efficient production. For this cost saving equipment, wise executives turn to one source of supply—the members of the BE Group. Are you keeping pace in these competitive times?

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EASY-TO-USE COMPUTER SYSTEMS

Talk to Mike Hare of Doric for an imaginative approach to systems design.
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First we beat our rivals in the Edgware Rd. Now we lead them up the Khyber.

The traffic-snarled Edgware Road was one of the routes chosen by Truck Magazine last year for a test on the Sherpa van and four principal rivals. The overdrive Sherpa clocked up a remarkable 31.1mpg—miles ahead of its nearest competitor. In second place was the standard Sherpa. Other magazine road tests confirmed the Sherpa's unique ability to sip where others gulp.

Taking the rough with the rough.
More recently, the Sherpa scaled new heights of endurance for a van, and proved that it can take more punishment than even its Leyland designers suspected.

The Carlisle Mountaineering Club drove a pair of two-year-old standard Sherpas to the Kishitwar Himalayas and back—a distance equivalent to half way round the world. Both vehicles were fully-loaded with burly team members, stores and climbing gear, and had to surmount some of the toughest terrain that

Europe and the Middle East can offer.

There were gradients as steep as 1 in 4. There was a desert temperature that exploded a thermometer in the cab.

There were rivers to ford, and roads where the underbellies of the Sherpas grounded again and again.

There were freezing nights and oxygen-thin air. And yes, there were problems with the Sherpas. The extraordinary thing is that they were so minor and so easily fixed.

Overall petrol consumption was 19.02mpg, which, considering the loads and the roads, was no less remarkable than the Truck Magazine figure. Oil consumption was a little over one gallon per vehicle throughout the whole trip.

Team member, Peter Thornton, summed it up: "Both vehicles were very comfortable to drive, and even after our longest day—over 1,000 km through Afghanistan—there was no fatigue due to the seating arrangements... I was sad to part with such reliable vehicles that had served the team so well."

One of those Sherpas is now part of a mobile display unit.

It still carries Britain's best warranty.

After all that, it's not surprising that no other van carries a warranty to rival the Sherpa's.

Like all vehicles from Leyland Cars, it comes with Supercover.

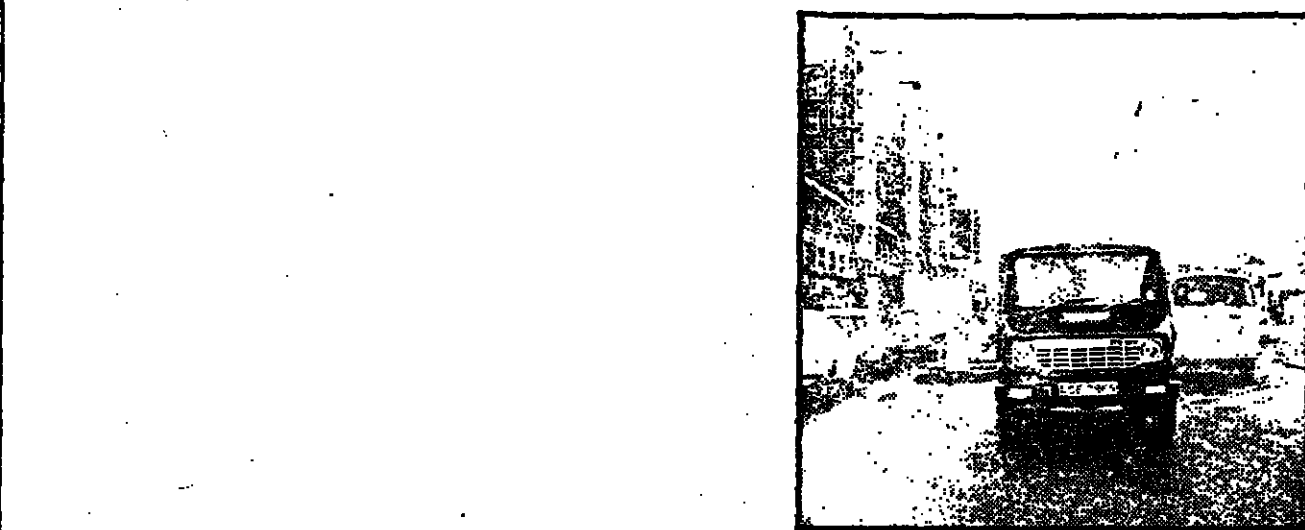
And that includes a year's free no-mileage limit with parts and labour; a year's 24-hour roadside assistance from the A.A.; a year's A.A. Relay Recovery Service (approved conversions and U.K. mainland only); a 69 point pre-sale checkout, and the opportunity of renewing it all for a second year.

Some warranty!
The Sherpa body options include vans, minibuses, crewbuses, chassis-cabs, and pick-ups. Engine options include a 1622cc and 1798cc petrol and 1798cc diesel.

Overdrive is an optional extra on the 1798cc petrol and diesel.

For further information please visit your nearest dealer, or write to: Light Commercial Vehicle Sales, Leyland Cars, Grosvenor House, Prospect Hill, Redditch, Worcestershire B97 4DQ.

Sherpa



PARLIAMENT AND POLITICS

Tories beaten in bid for wider Euro-vote

BY IVOR OWEN, PARLIAMENTARY STAFF

AN OPPOSITION bid to give British businessmen working in other EEC countries, and their wives, who have previously been entitled to vote in Parliamentary elections in the U.K. an opportunity to participate in Britain's first Euro-poll failed in the Commons last night.

After a debate which cut across party lines, a Conservative amendment to the European Assembly Elections Bill, which would have extended the franchise to include British business communities in other EEC countries, was defeated by 160 votes to 149, Government majority 11.

Mr. Douglas Hurd, a Conservative spokesman on European affairs, speaking on the final day of the Bill's committee stage, described those covered by the amendment as the "spearhead" of the British effort in Europe. "In their efforts depend, in part, our chances of making a success of the partnership in Europe to which we now belong. They feel very strongly that they should not be excluded from this franchise."

As arrangements now stood, British servicemen in Europe, together with diplomatic staffs in the various embassies, would be entitled to vote in the European Assembly elections. But workers employed by British companies or international organisations and based in any of the other eight EEC member States would have no such entitlement.

Mr. Hurd maintained that it would be wrong to allow such a discrimination to continue. But he stressed that the Opposition had not sought to extend the franchise to British subjects living in retirement in other EEC countries.

This, he said, met the objections raised by the Government in 1975 when MPs, who argued that British citizens living in retirement in European countries should be able to take part in the referendum on Britain's membership of the EEC, were told people who had spent a large



Mr. Hurd... "wrong to allow this discrimination."

that they were advocating votes for the "lotus eaters."

Mr. Hurd said that the Labour Committee for Europe had given evidence to a Commons Select Committee to the effect that it would be in the best interests of any member State were allowed to vote in European Assembly elections in their country of residence rather than in their country of origin.

One estimate of the numbers of people involved had been as high as 270,000, but it was not clear whether this also included Britons in Europe who were not working.

Dr. Colin Phipps (Lab., Dudley), who described himself as a pro-European and an unashamed federalist, supported the amendment. He spoke of his own experience of being deprived of the right to vote in European elections while working abroad.

It was wrong that British people who had spent a large

part of their lives working in the U.K. should be barred from voting in the elections for the European Assembly because they were now working abroad in another EEC country.

Mr. Nicholas Budgen (C., Wolverhampton SW), said he would vote against the amendment, because, if approved, it would clearly be seen as an important step along the road towards a federal Europe.

He wanted to see the electorate for the European Assembly elections voting for people whose primary duty was to uphold the interests of the British nation state.

Outright opposition to the amendment was also expressed by Mr. Enoch Powell (UU Down S.), who said it raised the question of whether an attempt should be made to introduce, however partially, the principle of territorial voting. If the amendment were approved, it would inevitably reflect on the law governing Parliamentary representation at Westminster.

Mr. Brynmor John, Home Office Minister of State, urged MPs to reject the amendment on the grounds that it was an attempt to change the electoral law without reference to the well-tried procedure of a Speaker's conference. He insisted that it would be impossible to make the change in respect of elections to the European Assembly without having some "potential repercussions on the internal franchise."

There was ironic laughter from both sides of the House when Mr. John stated: "It is not that I have taken a fixed view against the extension of the franchise."

He went on to explain that the Government's fixed position was that such a change should have proper consideration by the normal process. It was because of the potential domestic repercussions that the Government believed it would be wrong to try to have a "one-off job" in relation to the elections for the European Assembly.

Ministers hit snags in search for new referendum formula

BY RICHARD EVANS, LOBBY EDITOR

MINISTERS are campaigning actively among Labour and anti-devolutionists for a reduction in the voting figure for a Scottish referendum from 40 per cent to 33 per cent.

But there are signs that the campaign could rebound, with allegations at Westminster that Government Whips have been claiming support for the compromise formula from Mr. George Cunningham, the Labour MP largely responsible for inserting into the devolution Bill the proviso that 40 per cent of the total Scottish electorate must support the proposals for them to take effect.

Mr. Cunningham, MP for Inverclyde, strongly denies any change of attitude and is threatening to raise the matter in the Commons if his name is used to canvass support for a lower figure.

A Government amendment, either on the basis of 33 per cent, or some other compromise found to be more acceptable, will be debated in the Commons next Wednesday during the report stage of the Scotland Bill. Ministers fear that without a change in the Bill the prospects for devolution are gloomy and Labour's election chances

in Scotland will be bleak.

The other major reversal during the committee stage—to give the Orkneys and Shetlands the right to opt out of the devolution proposals while a commission considers their relationship with a Scottish Assembly, is also causing problems for Ministers.

Mr. Bruce Millan, Scottish Secretary, met deputations from both groups of islands in London yesterday and promised to visit the areas to discuss the difficulties raised by the amendment. There will be no attempt to reverse it until the Bill reaches the Lords.

Mr. Millan pointed out that if the Bill went through in its present form, there would be an interim period, while the commission was considering the future, when vital services would have to continue to be operated from London, rather than Edinburgh. But all the Civil Service now operated by the Scottish Office would have been withdrawn.

Mr. Millan hopes to find a formula that will allow the Orkneys and Shetlands to operate under the Scottish Assembly and to meet their anxieties in another way.

Audit committees call

BY MARGARET REID

A PRIVATE member's Bill requiring large companies to set up audit committees of directors to keep in touch with both management and the auditors has been introduced in the Commons by Sir Brandon Rhys Williams, Conservative MP for Kensington.

The proposed measure calls for such committees in some 200 of Britain's largest public quoted companies, with assets of over £100m, or more than 10,000 employees. This is a more restricted category than the 700 companies where audit committees would have been required under a pre-

vious Bill brought in by Sir Brandon, who has been urging legislation on audit committees for several years.

The new Bill also provides that there should be at least three non-executive directors on the Board of public companies with assets of over £5m, or more than 1,500 workers.

The role of non-executive directors and the idea of audit committees was favourably commented on in the recent Government White Paper. "The conduct of company directors" which did not, however, propose legislation on the subject.

Fierce attack on Executive attitudes Attempts to 'bypass Parliament' claimed

BY RUPERT CORNWELL, LOBBY STAFF

WESTMINSTER'S campaign to for Crosby, will bolster the Secretary of State was "effec- gain closer control of Govern- tively unlimited," making the servatives after Tuesday's vain regulations themselves point- attempt to make the Government less. less. back down on its blacklist of companies breaching the pay guidelines.

Perhaps more significantly, though, it is fresh proof of the growing mood of rebellion on the back benches at the Treasury of Government and Whitehall to ride roughshod over Parliament in forming and executing policy. The report refers to "the astonishingly casual attitude on the part of the Executive" on the vexed question of late publication, which "amounts, on the face of it, to a cynical disregard of the rights of the subject."

The charges were levelled by the Joint Committee on Statutory Instruments, a 14-man body which has the job of checking that such instruments, or decrees, legislation, subordinate to Acts of Parliament, are in order.

In a special report it criticises "the recurring tendency of Whitehall departments to seek to bypass Parliament by outflanking it through an instrument—thereby conferring unsatisfactory powers on a Minister."

It protests at the delay in printing and publishing Ministerial Orders, which, in theory, should be done 21 days before they come into force. Instead, departments were often complacently aware that a citation could be legally obliged to obey an order without having a chance of knowing what it said.

The findings of the committee, whose members are drawn by equal numbers from the Commons and the Lords, are being considered by the chairman of the House of Commons, Mr. Graham Page, Tory MP for

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North Sea oil revenue proposals out soon

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE WHITE PAPER containing the Government's proposals for the use of North Sea oil revenues will be published very soon indeed, it is claimed.

Baroness Williams of Gower, Secretary for the Environment, told the Lords last night.

She added, however, that the Government has not yet made up its mind whether to establish a specific North Sea oil fund, in order to have a separate accounting for the revenue. "This is something which the Government is currently considering and on which it has not yet reached a final view," she declared.

Lady Birk said that the oil would make a relatively small increase in total national resources of 5 per cent by 1985. This would equal less than two years' economic growth, estimated at a rate of 3.5 per cent a year.

It would not be enough by itself to allow a substantial

increase in private consumption or public expenditure. Government policy must ensure that the money would be used to strengthen the economy.

"If we fritter it away on consumption, we will suddenly find the oil has done us no good at all," she said.

Nothing to show for it, she went on. In these circumstances, it would be wrong to lay down a rigid formula for the use of the revenues and to forget our real economic problems.

Many had urged that the money should be used to reduce income-tax and the Government accepted that tax rates were too high on all levels of income and should be reduced. Ministers had already indicated that the tax burden would be reduced in the coming Budget. But most important of all was the need to sustain growth of investment and not to have a short-lived consumer spree.

From the Conservative front bench, the Earl of Gowrie

claimed that Mr. Anthony Wedgwood Benn, Energy Secretary, was favouring American companies at the expense of British ones in the development of North Sea oil.

Lord Gowrie wanted to know what Mr. Benn was doing "waiting hand-in-hand into the sunset" with Dr. Armand Hammer, the chairman of Occidental Oil, the American company.

At this, Lord Balogh (Lab.), former Minister of State for Energy, protested that what Lord Gowrie was saying about Mr. Benn was unjust and incorrect.

But Lord Gowrie retorted that when British applications were made for development blocs, Mr. Benn continued to hand them over to Dr. Hammer and his colleagues. He emphasised that he was not saying that Occidental was not worthy of them. But there did seem to be a considerable imbalance.

Union links Aid for storm damage based on trust our aim—Prior

By Philip Rawstone

PERSUASION and trust would be the main basis of the next Conservative Government's approach to industrial relations, Mr. James Prior, the party's employment spokesman, said yesterday.

The Conservatives would want to amend specific aspects of present law but only after close consultation with those affected, he told a London seminar organised by Opinion Research Centre.

"Our approach will be even-handed and the key components... will be persuasion, education, debate and trust," Mr. Prior declared.

The unions, like management, now faced a period in which they would have to adjust to change, he said. The implications of the labour laws passed between 1974-76 had yet to permeate through to most trade unionists and a real debate was now developing on the future of pay bargaining.

With the rapid growth of white-collar unions, the composition and nature of the union movement itself was in a state of flux.

Mr. Prior said that the real question was no longer whether the next Conservative Government could work with the unions but what future role the unions saw for themselves.

He added: "This raises a whole host of related issues, from the closed shop to wildcat strikes, from mass picketing to restrictive practices, and from secondary picketing to secret ballots for union elections."

"But the unions are unlikely to come up with constructive answers to these problems if any Government launches sweeping legislative changes, whether these reforms affect industrial relations law or employee participation."

Overseas aid Bill defeated

A TORY MP's Bill to cut aid to countries which nationalise the assets of U.K. firms was rejected in the Commons yesterday. The proposal, by Mr. Victor Goodhew (St. Albans) failed by 219 votes to 141, majority 78.

Mr. Goodhew argued that if any country receiving British aid expropriated the assets of a British firm or a British subject and refused to pay compensation, it should be mandatory that aid was reduced by an equal amount.

A FINANCIAL TIMES SURVEY OVERSEAS CONSTRUCTION

March 14 1978

The Financial Times proposes to publish a survey on Overseas Construction. The main headings of the provisional editorial synopsis are set out below.

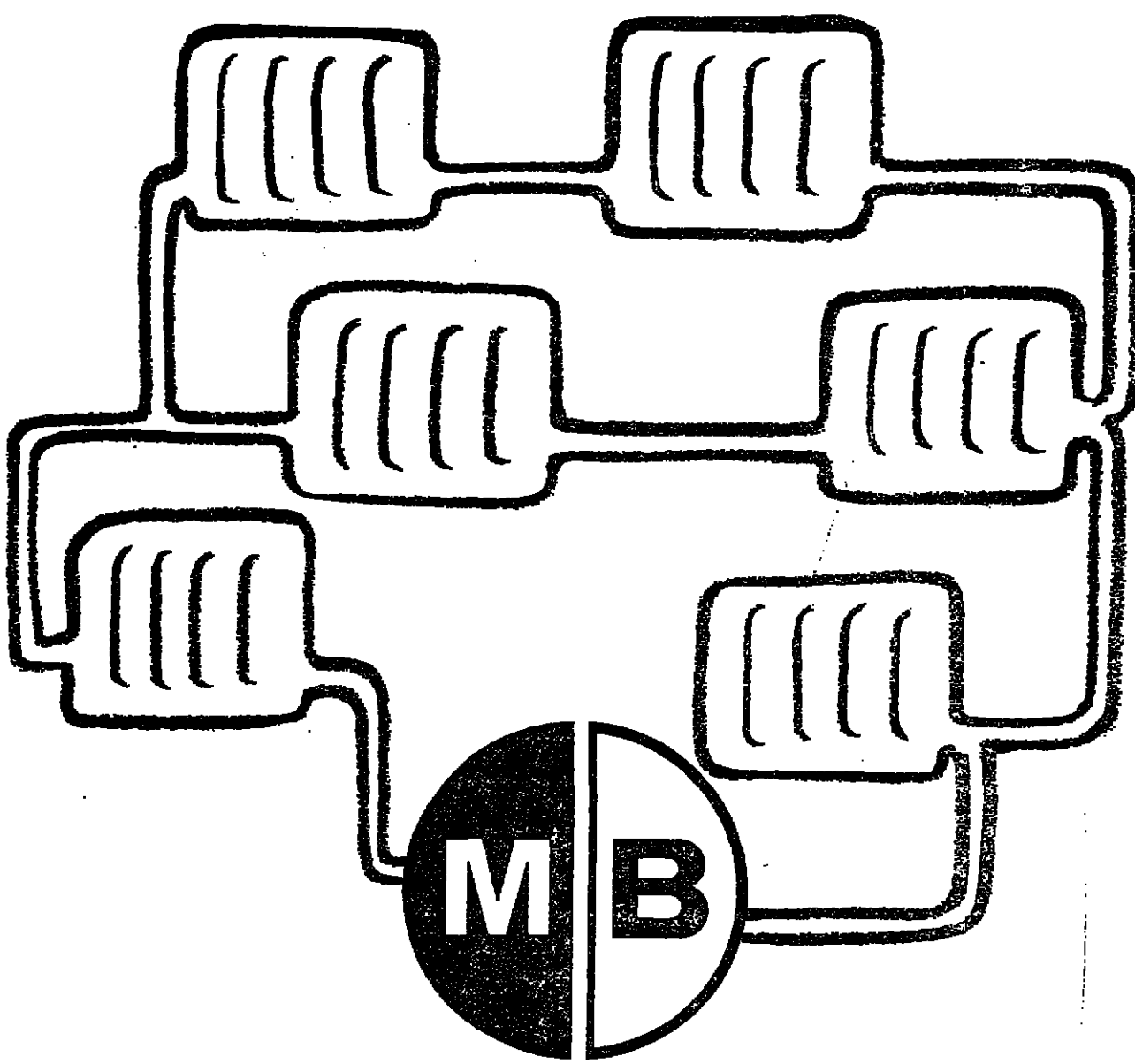
INTRODUCTION The search by builders and civil engineers for work in overseas markets continues unabated. There is evidence to suggest that while the biggest constructors continue to dominate the field, smaller companies without previous experience of working abroad have been making considerable headway.

- UK Constructors Abroad
- The International Contractors
- Provision of Finance
- Provision of Labour
- Insurance
- Joint Ventures and Consortia
- Building Materials
- Foreign Constructors in Britain
- Government Support
- Consultants
- The Middle East
- The Middle East Contract Conditions
- The United States Markets
- Markets in Nigeria
- Markets in Latin America

For further details on the editorial content and advertising rates please contact Ian McLaren or Robert Murrell, Financial Times, Bracken House, 10, Cannon Street, London EC4A 3DF. Tel: 01-248 8000. Extns. 360 and 246 respectively.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.



A hearth-warming story in six languages: it's Metal Box's business.

You've heard of Metal Box as the group that manufactures packaging for just about any consumer product in the world. But did you realise that one of its most important activities is "packaging" hot water?

Stelrad, a Metal Box subsidiary, makes central heating boilers, and is the largest manufacturer of radiators in the world. It is fast expanding throughout Europe—known on the mainland as Ideal Stelrad—and has factories in Belgium, Holland and Austria, as well as in the UK.

It's just one more example of the way Metal Box puts its technical and marketing skills to work over a wide range of products and processes that people need.



Metal Box
A good business to be in

How long should a business gift last?

The twelve days of Christmas.



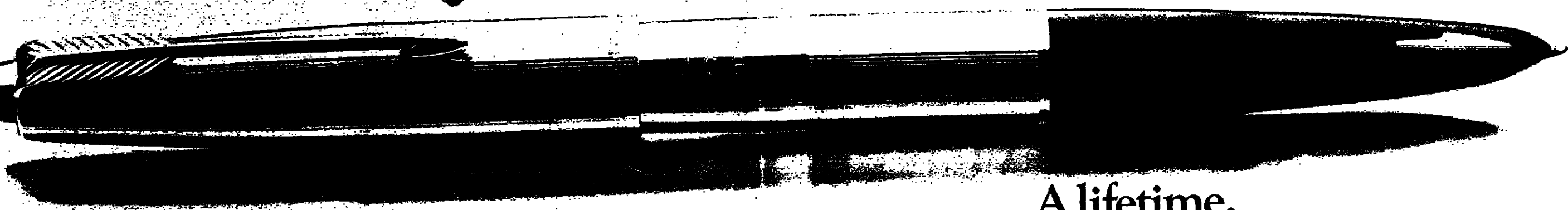
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A couple of months.



A lifetime.



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THE JOBS COLUMN

Selector, with sideline • Private-eye promoter etc.

BY MICHAEL DIXON

IF YOU happen to be expert at growing grass on sand, and do not mind having your masterpieces kicked about by footballers, Eric Jameson might well be interested in exporting you for a couple of years. The same applies to football coaches, referees, physiotherapists, dieticians and suchlike.

Mr. Jameson does not care for football much. Since he stopped being marketing director of General Foods in the mid-1960s, he has been a Midlands-based management consultant specialising more and more in recruiting executives of normal kind. But about 18 months ago he sold his business to a neighbouring advertising agency, Cogent Elliot of Solihull, which chanced to know a Mr. Jimmy Hill, who is associated with a company called World Athletics Overseas, which is helping Saudi Arabia with its ambitions to become a leading football nation.

So now the Personnel Selection company, of which Mr. Jameson remains chairman, has a sideline (if not a corner) in recruiting supporting staff for Saudi Soccer.

"There's no problem in getting people to fill the vacancies," he said. "They tend to go out there on two-year assignments—15 weeks away then five

weeks home leave—for which they'll be paid something like £12,500 tax-free, and probably a loyalty bonus."

How did he feel about extending into the apparently growing United States market for football?

"Oh, I'd love to do that as well," he replied. "But if we did, the whole lot would still be only a small bit of our business compared with straightforward executive selection in this country. To give an idea, we'll finish the current year having placed managers with combined salaries of around £1m.

"With my background, we've tended to specialise in jobs for marketing and sales managers, but we're getting an expanding lot of work in other functions, and that's why we've decided it's time to increase our consultancy team. We've 11 staff all in at present, but only four are consultants."

The addition he is seeking will probably be aged 32-42, and could well have a degree in one of the behavioural subjects.

The essential, however, is experience of personnel management which has provided, not only skill in selecting managers, but the ability to advise clients on the tangle of legislation covering employment. Responsibility will be to Jim Allen, the managing director of Personnel Selection. The base can be either Solihull or London, with

fairly frequent shuttling from one to the other.

Salary will be about £10,000 plus, the chairman added, "a decent car like an Audi 100 LS." After the first year, the newcomer would also become eligible for profit sharing.

Applications, giving outline of career, to Mr. Jameson at 46 Drury Lane, Solihull B91 3BG. Telephone inquiries to 021-705 7399.

"One more thing before you go," I said to him. "Are you serious about grass-growers?"

"They're called agronomists," he snorted, "and of course I'm serious. The Saudis do most of their footballing on artificial pitches so far, but they're very keen to develop proper grass ones."

This suggests that, given the possibility of a Labour electoral defeat, Mr. Jameson might fruitfully offer a retainer to Birmingham MP Denis Howell, Football League referee from 1956 to 1970 and, as Minister for the Drought in 1976, rain-maker extraordinary.

Storeminders

IF WHEN walking round a supermarket or big store you see a thing like a space satellite keeping several beady eyes on you, I am told the chances are that it was supplied by Photocopy, of Sunbury on Thames.

The business started some 11 years ago as a franchise operation in the south of England for the surveillance equipment of the identically named U.S. company. Then managing director Peter Goddard and his fellow executive directors, who together hold about 70 per cent. of the British concern's shares, gradually took over in other regions until in 1971 they held the franchise for the whole of the U.K.

They have since diversified into other kinds of security device, still importing equipment from—for instance—Japan, but designing the systems and manufacturing certain key components themselves.

With a subsidiary in Ireland and another to open soon in Holland, the 11-year-old private company is expected to end the current year with a turnover of £1m, for the first time, roughly a fifth of it in overseas business.

About another fifth will come from the relatively recent diversification into industrial security systems, mainly of the closed-circuit television type. But the remaining 80 per cent. or so of turnover is still in the Sunbury concern's original market—the larger retailing establishments of this country.

"And I'm sure that the retail sector has plenty of scope left for us, which is why we're wanting to appoint someone to man-

age our sales development," Mr. Goddard said.

"In fact, the principal task of the job will be to help us to grow further into retailing. We'll also want whoever comes to look into likely future needs of security systems for management control of various kinds, but that will rank very much second to the main task."

Responsible to marketing director Maurice Doran, the recruit is unlikely to have any supervisory duty for the sales force, at least for a while. This will be an individual contributor's job, involving a good deal of contact work at top level with retail groups.

"So I think the person we want will probably have had good experience of the retailing business from the inside, and preferably at the level of general management. Naturally it would be handy to have knowledge of security problems in stores, supermarkets and the like; and some background in selling capital equipment or systems to the retail sector is desirable too."

"Age doesn't matter really, though I'd think 30 to 40-year-olds would be the most obvious candidates. And sex wouldn't matter even if there weren't any equality law: I'd say that a woman with good experience and contacts in retailing could very well be the right person."

Salary offered is £6,000 or

more depending on qualifications. Perks include a car and half of clients in membership of BUPA. Profit-sharing in due course. Although the company is based at Sunbury, the sales development manager will be working mostly away from the office and so would not need to live in the London area.

Outline qualifications to Mr. Goddard at Photo-Scan, Dolphin Estate, Windmill Road, Sunbury on Thames, Middlesex, TW16 7HG. Telephone inquiries to Sunbury on Thames 89741.

45 and over

IT IS a rare pleasure to introduce an employer who positively wants to hear from candidates aged at least 45. He is Peter Allen, who leads the London-based operations of the United States group, International Management Consultants.

Although the group has a distribution and marketing subsidiary employing towards 400 people in New York, its management consultancy activity is far less populous, and much more close-knit. The London office, for example, typically has some eight staff of whom about half are consultants. The founder and president of the group, Dick Farkas, spends about 40 per cent. of his working time over here; so we're all of us responsible to him," Mr. Allen said.

He is now seeking another

senior consultant to work on business development and strategic planning in the commercial sense. Look at it this way," he added.

"If what you are concerned about is oil production moving from East to West, then that is strategic planning, right? And if what you're working on is market study to see if you should change the colour of your packaging to green, that is detailed planning, isn't it?"

"Well then, we operate between those two extremes, getting in the economic and other evidence and helping our clients to develop their own corporate plans, perhaps on a three-year or a five-year basis. And our specialism is in what I call trans-border operations—helping companies to plan the development of their business in other areas and countries."

"That's the sort of work the person we want will be doing, and that's why we need someone with a lot of senior experience, you see."

Candidates, Peter Allen said, need to be experienced business generalists, having demonstrably managed resources to good effect. They should also have played an executive part in an organisation with operations in more than one country, and preferably a commercial organisation. Foreign language skills would be a help, but are not essential.

Salary is not stated, but would estimate at least £10,000. Some overseas travel from London base.

Outline applications to Mr. Allen at IMC, Suite 28, 140 Park Lane, London W1Y 3AA. Telephone inquiries to 01-489 9551.

Defence work

THE CIVIL Service will be coming to market soon for about 25 assorted youngish engineers to work on advanced air-defence projects, most working from London. They will add their special skills—whether electrical, electronic, aeronautical, mechanical or production—to teams developing foe-frustrating complexities from feasibility study to installation. Sometimes they will be working with specialists from other nations.

The tasks involved will include ensuring quality, technical costing, resource allocation, and co-ordinating production.

Professional study to degree level and training over at least five years is required. Salaries up to £5,700 (which does not seem much to me, and may help to explain why about three in every five people offered scientific posts in the Civil Service turn them down).

Application forms from the Civil Service Commission, Alison Link, Basingstoke RG21 1JR—telephone Basingstoke 68551. Quote reference T/85/10.

CHEMICAL BANK INTERNATIONAL LIMITED

Senior Eurobond Executives London

On 22nd December, 1977 Chemical Bank acquired the whole of the issued share capital of London Multinational Bank Limited, now renamed Chemical Bank International Limited (CBI). Chemical Bank will concentrate its international merchant banking activities in its new subsidiary, which will continue to be active in international loan syndication and international investment banking.

At a senior level, the Investment Banking Department of CBI seeks the following:

- international corporate finance executives experienced in the solicitation, negotiation, structuring and documentation of Eurocurrency public issues and private placements
- a sales orientated executive combining new issue syndication experience with fixed interest investment expertise and a close knowledge of the international investing community
- a top professional to develop and head the bank's securities trading and market making activity.

In each case the exact responsibilities and the remuneration package are negotiable and should attract those already well established in this market.

Applications in confidence to: Peter Karl Schumann, Executive Director, Chemical Bank International Limited, 1 Union Court, Old Broad Street, London EC2N 1EA. Tel: 01-283 8171

CHEMICAL BANK INTERNATIONAL LIMITED

TAX & FINANCIAL SERVICES

YOUNG ENTREPRENEUR

City neg. widely around £10,000

Our client is a division of a rapidly expanding financial services group whose activities include the provision of a wide range of legal, banking, taxation and other specialist financial services. The successful candidate will work in a small team assisting with the development of personal tax planning schemes. He/she will also have responsibility for marketing the company's activities, servicing a portfolio of clients and generally developing and administering the tax function. Applicants will be chartered accountants probably aged between 26 and 32 who have experience of a large professional practice. They should have at least 18 months experience of personal and close company tax work and should combine this with a strong outgoing personality and an interest in business development.

For more detailed information on this appointment and a personal history form please contact Nigel V. Smith, A.C.A. quoting reference No. 2076.

Commercial/Industrial Division

Douglas Lombard Associates Ltd.,
410, Strand, London WC2R 0NS. Telephone: 01-636 9501.
121 St. Vincent Street, Glasgow G2 5HW. Telephone: 041-236 3101.
and in Edinburgh.



Financial Controller

c £9,500

A major engineering company, part of a British international group, has been restructured and there is a requirement for the key position of financial controller.

Responsibility will be to the finance director for the efficient operation of the finance and accounting functions, and for spearheading a major systems development programme within this area so that the department can effectively contribute in practical terms to the company's profit improvement planning.

A qualified accountant is required with sympathy for things mechanical and with broad line experience of financial and staff management at a senior level in a major industrial undertaking. Age under 45. Salary negotiable around £9,500. Car provided. Location Thames Valley.

Please write in confidence for a job description and an application form to David Prosser, Price Waterhouse Associates, Southwork Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3653.

Antony Gibbs & Sons, Ltd.

Corporate and Project Finance Executives

Antony Gibbs and Sons, Limited, whose parent company is a member of the Accepting Houses Committee, and is an associated company of the Hongkong Bank Group, is looking for chartered accountants to join its small but expanding Corporate and Project Finance Department.

Successful applicants will preferably be graduates aged 24-28. Relevant experience in banking, industry or with an international firm of chartered accountants will be considered an advantage.

The work will cover all aspects of Corporate and Project Finance and prospective candidates should be willing to travel, both on short-term assignments and on longer-term secondments. An increasing part of the Department's work is concerned with the Middle East.

An attractive salary, which will depend on experience, will be negotiated. Additional benefits include a mortgage subsidy scheme.

Applications, which will be treated in complete confidence, should be sent with a brief curriculum vitae to:

C. E. Fiddian-Green,
Antony Gibbs Administration Services Ltd.,
28 Blomfield Street, London EC2M 7NL.

Foreign Currency Trader/Arbiter

We are a national financial firm with an immediate opening in our Chicago office for a highly qualified professional to function as our foreign currency arbiter.

Salary range for this position is \$35-50,000, plus profit-incentive program.

Please send a detailed resume with emphasis on your qualifications and experience in foreign currencies. All replies will be held in confidence.

Write Box F.600, Financial Times,
10, Cannon Street, EC4P 4BY.

Company Secretary

Major U.S. Film Company invites applications from qualified accountants for the position of Company Secretary/Director of Administration to its U.K. subsidiaries.

Knowledge of the film industry would be an advantage but is not essential. Location London, W.1.

Write with full details of career to date and salary required to Box A.6254, Financial Times, 10, Cannon Street, EC4P 4BY.

ASSISTANT TO THE EUROPEAN FINANCIAL CONTROLLER

Recently Qualified

London SW1

to £7500

The Assistant will review and consolidate the monthly financial and management reports for the European operations of a substantial American corporation. He or she will participate closely in budgeting and long term planning, and, working with the Financial Director in investigating expansion opportunities and problem areas, will undertake a variety of projects including systems development.

The leaders in a rapidly expanding sector of the engineering industry, the London-based head office of our client controls companies in the U.K., Germany and France with a turnover in excess of £7 million. Applicants should be qualified accountants aged 23-28. Please telephone or write to Stephen Blaney B.Com., ACA, quoting reference 1/1654.

EMA Management Personnel Ltd.
Burnie House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

The British National Oil Corporation

LEGAL ADVISERS-EXPLORATION AND PRODUCTION

BNOC invites applications from persons with appropriate experience for a substantial and responsible involvement in a wide range of exploration and development activities on the UK Continental shelf. BNOC has many joint operating agreements and joint venture arrangements with major oil companies. BNOC's role in the development of Britain's oil resources makes this a unique opportunity to develop a most interesting career. Applicants, male or female, should have general experience in the oil industry, preferably as a solicitor, barrister or advocate. Other applicants will be considered who have sufficient experience in complex joint venture

arrangements which demand high intellectual ability combined with drafting and negotiating skills.

Salary will be negotiable and attractive. BNOC has a good pension scheme and offers appropriate financial assistance on relocation, if necessary. Posts are required to be filled in both Glasgow and London.

Please apply with full education and career details and current salary quoting Ref: LA/FT to:-

The Recruitment Manager,
The British National Oil Corporation,
150 St. Vincent Street,
Glasgow, G2 5LJ.
Telephone: 041-204 2525

BNOC

CIC CREDIT INDUSTRIEL ET COMMERCIAL

74 London Wall, LONDON EC2M 5NE

requires the following:

FOREIGN EXCHANGE BACK-UP STAFF

- Experienced person to run newly established Sterling Section
- Experienced person for an expanding Settlements Department

Candidates should be willing to accept responsibility and ideally aged 25/32.

Applications giving details of experience, present and expected salary to:

Mr. S. A. JOYCE, Staff Manager,
74 London Wall, London EC2M 5NE

Reed Executive

The Specialists in Executive and Management Selection

UK Qualified Accountant

Germany

c £12,000 + relocation expenses

THE COMPANY — subsidiary of an American multinational, supplying specialised fastening systems to Europe and the Middle East; seeking to augment its management team and recognising the calibre of a UK accounting qualification. THE JOB — specifically concerned with the development of costing and budgeting techniques (partly computerised systems) and profit planning. THE CANDIDATE — aged 26-33; possessing sound costing experience in an engineering environment (no bias but probably an ACMA); ambitious with a taste for international business; ability to speak German advantageous but not essential. PROSPECTS — excellent with opportunities in many countries.

Telephone 01-836 1707 (24 hr. service) quoting Ref: 0513/FT. Reed Executive Selection Limited, 55-56 St Martin's Lane, London, WC2N 4EA.

Group Financial Controller

London

c £10,000 + car

A rapidly expanding and profitable U.K. Public Group with a turnover exceeding £30M is engaged in manufacturing and distribution. Reporting to the Chairman, you will assist the Board in investigating expansion projects, work closely with the Management of subsidiary companies, and take responsibility for all Group Accounting matters. You will be a qualified accountant, preferably in your 30's, with previous industrial or commercial experience. Above all, you must be able to contribute to the future profitability of the Group as a seat on the Board is envisaged. Conditions of employment are good and relocation expenses are available.

Telephone 0532 459181 (24 hr. service) quoting Ref: 3276/FT. Reed Executive Selection Limited, 24-26 Leeds Lane, Leeds, LS1 6LB.

Corporate Profit Planning

Central London

to £9,000

Following a major restructuring of its activities into profit-accountable operating groups, this UK-based worldwide manufacturing group is now placing major emphasis at corporate level on sound financial planning and control. A Qualified Accountant or Business Graduate with high analytical skills is sought to play a leading role in formulating corporate budgeting and reporting procedures and monitoring performance against group plans. You will be actively involved in developing and using financial models to assist in medium and longer term planning. Applicants should have at least three years' experience in a manufacturing industry, ideally but not necessarily involving the use of computer models.

Telephone 01-836 1707 (24 hr. service) quoting Ref: 0445/FT. Reed Executive Selection Limited, 55-56 St Martin's Lane, London WC2N 4EA.

Financial Manager

Publishing — Central London

to £9,000

Publishing is a fast moving, exciting but exacting business requiring top-class people. One of Britain's largest and most successful groups requires a high calibre Qualified Accountant aged 28+ to lead a team responsible for producing monthly and annual accounts, forecasts and key management information. You will also be closely involved in the development of the group's computerised accounting systems and procedures. You will need high technical skill, drive and good staff management ability to be able to meet the demands of top executives intent on achieving individual profit objectives. Excellent conditions of employment are offered.

Telephone 01-836 1707 (24 hr. service) quoting Ref: 0444/FT. Reed Executive Selection Limited, 55-56 St Martin's Lane, London WC2N 4EA.

Talented Accountant

for Development Role

to £8,000 + 6 mth review

This position has arisen in a highly successful supplier to the energy industry. The person appointed — probably around 30, and with an industrial accounting background — will be given a wide brief of largely ad-hoc responsibilities. These will include investment, production, shop floor liaison and EDP development. A qualified individual, keen to add experience of rather more diverse management problems, will relish the opportunities provided. We shall be extremely interested in the ability to appreciate the overall business viewpoint whilst retaining a financial bias. Removal costs to N.Kent will of course be met.

Telephone 01-836 1707 (24 hr. service) quoting Ref: 0529/FT. Reed Executive Selection Limited, 55-56 St Martin's Lane, London WC2N 4EA.

The above vacancies are open to both male and female candidates

London · Birmingham · Manchester · Leeds

Corporate Planner

National Industrial Policy

£9,320-£11,670

The Department of Industry's responsibilities embrace both the national and regional aspects of industrial policy, including financial assistance to industry. The Department sponsors individual manufacturing industries including iron and steel, aircraft and shipbuilding.

The Corporate Planner will head a branch within the Department's Industrial Planning Division, whose interests include the Department's statutory and financial relationship with the National Enterprise Board, policy planning in relation to industry, and the promotion of interest in education and training as a boost to manpower resources. A major role will be to initiate and take part in discussions with leading companies and trade unions on business strategy in the light of government policy. The successful candidate will also participate in conferences, seminars and training courses relating to corporate planning.

and be concerned with the development of the Department's interest in management education and relations with the British Institute of Management and professional marketing bodies.

Candidates, preferably aged between 40 and 55, must have a wide knowledge of industry, including practical experience at a senior level in the corporate planning function of a major industrial organisation. Overseas industrial experience would be an advantage.

Salary for this London post starts at £9,320 and rises to £11,670; non-contributory pension scheme.

For further details and an application form (to be returned by 2 March 1978) write to the Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: G1970911.

Department of Industry

Director and General Manager

The Henley Centre for Forecasting, London

This is a new appointment necessitated by the growth of the Centre, which is associated with the Administrative Staff College at Henley.

The successful candidate, who will probably be aged 40-45, will be responsible for the day-to-day operations of the Centre, including all aspects of administration, finance, sales, planning and control of the office staff. He or she will need to show evidence of the flexibility necessary to work in a small organisation with a high proportion of professional staff. Experience of line management is required. Analytical and consultancy experience will also be helpful.

Salary will be negotiable and likely to be of interest to those already earning £11,000 pa or over.

Write in confidence, enclosing details of your career to date, to: Mrs. Teresa Davis, The Henley Centre for Forecasting, 27 St John's Square, Eamson ECL.

The Henley Centre for Forecasting



MANAGING DIRECTOR

EXECUTIVE SEARCH — LONDON

A leading international group of management consultants is seeking a top calibre executive to run its international executive search operations, based in London.

The appointment calls for a person of outstanding personal and professional skills, with some entrepreneurial flair. Experience of senior management recruitment desirable, but of greater interest is a successful record at board level in a substantial company, or in corporate consulting or counselling.

The salary and benefits are extremely attractive, as would be expected in one of the world's leading consultancies.

Replies in strictest confidence to:

Box A6258

Financial Times, 10 Cannon Street, London EC4P 4BY

Financial Analyst

£7,000 negotiable

As part of the expansion and re-organisation of a multinational group, a vacancy has arisen for a fully qualified Accountant, probably aged under 30, to operate within a new division, with particular responsibilities for monthly consolidation of accounts, financial analysis, forecasting, and planning and special projects.

Reporting to the Divisional Controller, the position offers an excellent opportunity to develop within an international company. Some foreign travel will be involved.

Please submit brief details of qualifications and experience to:

Ray Dickens Director—Personnel and Industrial Relations
Cutler Hammer Europa Ltd
Elstow Road Bedford MK42 9LH Tel: Bedford (0234) 67433

CUTLER-HAMMER EUROPA

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ACCOUNTANT

Accountant required by a large West End clothing manufacturing company to take control of the Finance Department, to report and be directly responsible to the Board for all financial information. Good prospects for the right person. Salary commensurate with ability. Write giving full details to: Box A.6257, Financial Times, 10, Cannon Street, EC4P 4BY

STATIONERY

Progressive public company in the stationery field operating direct to consumer require two sales people for the Home Counties to expand existing territories. The successful candidate will be mature and experienced in this field, and should be currently earning £7,000. Possibly will suit a person running their own business who now seeks the security of a public company. Company car (Vauxhall 1.6), expenses, generous pension scheme, bonus, etc.

Ring Mr. Bill Jones
Tel: Crawley, Sussex, 22215

Stockbrokers

MONTAGU LOEBL STANLEY

are expanding their Research Department and are seeking an analyst (20's/30's) to improve their coverage of financial sectors, including the Discount Houses where they already transact substantial business. Since up-to-date knowledge of taxation and accounting practices is essential the successful applicant will probably be a qualified accountant with some experience of the stock market. Remuneration will be competitive and depend on applicant's experience and qualifications.

Please reply in writing to:

C. J. R. Sharman, F.C.A.,

Montagu, Loeb, Stanley & Co.,

31, Sun Street,

London EC2M 2QP.

International Banking opportunities with Lloyds Bank International

LBI has vacancies both overseas and in the City for junior and middle management. These vacancies result from LBI's rapid growth in recent years demonstrated by the Bank's presence today in 44 countries.

Applicants, preferably aged 35 and under, will ideally have the following qualifications and experience:

- At least five years banking experience
- Corporate and international lending skills
- Marketing and negotiating skills gained in dealing with corporate customers
- Knowledge of foreign exchange operations
- Appropriate professional qualification or degree
- Fluency in at least one foreign language

Successful candidates should be prepared to assume executive posts in London or overseas after an induction period in Head Office. Future career prospects internationally are excellent.

LBI has a competitive salary structure and, overseas, pays appropriate salaries according to the conditions in each country, plus special provisions for mobile staff.

Please write giving full details of your experience, qualifications, age and salary to Richard Dowler, Manager, Manpower Planning, Lloyds Bank International Limited, P.O. Box 241, 40-66 Queen Victoria Street, London EC4P 4EL.

LLOYDS BANK INTERNATIONAL

40-66 Queen Victoria Street, London EC4P 4EL. Telephone 01-243 9622. A member of the Lloyds Bank Group.



Chief Accountant

Lyons Tetley

up to £9,400 + car

Lyons Tetley Ltd., is one of the largest and most successful grocery manufacturers in the UK employing over 4,000 people in its four major factories.

You will be responsible to the Financial Director for the entire financial accounting function with a staff of 120, including four departmental heads.

You will be joining a young management team in a fast moving demanding industry and will need to be a fluent,

positive communicator with proven management skills.

Ideally aged 30-40, you should be qualified with a number of years post-qualification experience within a manufacturing environment. Experience in the use of computers and in cash flow planning are essential requirements.

Relocation expenses will be offered where necessary and fringe benefits reflect the importance of this appointment.

Please contact:
John Eldridge, London (01) 235 7030, Ext. 253.
PER, 4/5 Grosvenor Place, London SW1.

Applications are welcome from both men and women.



Professional & Executive Recruitment

Assistant Director of Internal Audit - Europe

London Base c. £12,000 plus bonus and car

Our client is one of the world's largest and most successful corporations in the entertainment, music, publishing and communications industries. The Assistant Director will help in managing a growing department, responsible for the audit of the corporation's many interests throughout Europe and certain other countries. Due to outstanding world-wide growth, key tasks include high level operational and financial advice, review of new and existing computer

installations and development of EDP auditing techniques. Promotional prospects are exceptional — in finance or general management. Candidates, aged 30-40, will be qualified accountants speaking German and French, with considerable experience of U.S. and International accounting and auditing standards, and EDP techniques. Overseas travel can be expected and company conditions and fringe benefits are excellent.

G.E. Forester, Ref: 18135/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

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EUROBOND SALES EXECUTIVE		to £7,000+
FINANCIAL ANALYST		c. £7,000
CREDIT ANALYSTS		£5,000/£7,000
CHARGED SECURITIES		£3,500+
GRADUATE TRAINEE		£2,750+bonus
SENIOR ACCOUNTANT (A.C.A.)		c. £9,000
MANAGEMENT REPORTS ACCOUNTANT		c. £6,000
INTERNAL AUDITOR		c. £6,000
D.P. MANAGER		c. £6,000+
COMPUTER PROGRAMMER/ANALYSTS	(IBM System III)	£4,000/£6,000
DOCUMENTARY CREDITS		£5,000
RECONCILIATIONS CLERK		to £3,750
STOCK EXCHANGE SECURITIES		c. £3,200

For further details, please contact RICHARD MEREDITH or SOPHIE CLEGG

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

EUROPEAN ACCOUNTANT

Age 25-27

Brussels £9000 + bonus

The position is twofold involving acting as Belgian controller and as European Group Accountant. Working closely with local staff, he or she will control the head office and its \$1 million expenditure. In the group accountant capacity the accountant will monitor and investigate the European operations, and assist in further business development.

Marketing high volume consumer products our client is undergoing rapid expansion. The European head office in Brussels controls 10 subsidiaries with five more opening in 1978. Applicants should be French speaking qualified ACA/ACMA/ACCA/ACIS in the profession or industry and should telephone or write to David Hogg ACA, quoting reference 1/1658.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

SCANDINAVIAN BANK LIMITED

BAHRAIN BRANCH

GENERAL MANAGER

We require an experienced Euro-currency banker for our branch in Bahrain to take over from the existing General Manager when he returns to London.

The appointment carries responsibility for the effective overall supervision of all activities of the branch and requires a sound knowledge of all aspects of Euro-currency lending and foreign exchange. Experience in Middle East and international capital market activities of a bank would be an advantage.

Candidates should be between 35 and 45 years of age and will be expected to reside in Bahrain for two to three years.

Salary is negotiable with free accommodation, transport and medical facilities and an excellent and attractive remuneration package is envisaged.

Applications with full C.V. in strictest confidence should be forwarded to:-

In London

D. J. Hughes,
Managing Director,
Scandinavian Bank Ltd.,
36 Leadenhall Street,
London EC3A 1BH.

In Bahrain

R. F. N. Clark,
General Manager,
Scandinavian Bank Ltd.,
Pearl of Bahrain Building,
Government Road,
P.O. Box 5345,
Manama State of Bahrain.

Euro Currency Banker

Southern Europe

Due to the expansion of overseas interests, our client - a major New York-based bank - is looking for an experienced man or woman to complete a small, professional team specialising in Southern Europe.

This is a new appointment, and you will be active in all aspects of the team's operation; from the maintenance of existing relationships to involvement in Euro Currency Loan Syndications. The position is based in London, and you will be expected to assume reasonable responsibility within a very short time.

You should have at least 2 years' relevant experience in Euro Currency banking and legal documentation. Fluency in Spanish, French or Italian is an advantage.

An attractive salary, fully commensurate with your qualifications and experience will be supported by all the fringe benefits normally associated with a first-class banking institution.

Please write in strictest confidence enclosing a full curriculum vitae, including present income, together with a recent passport photograph to: I.W.G. Cluett, at the address below, quoting ref. EC/16/FT. Listing any companies to which your application should not be forwarded. All replies will be answered.

B&B

CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

Financial Director

Vetric Ltd., a subsidiary of Glaxo, is the largest Pharmaceutical Wholesaler in the United Kingdom, and distributes to Retail Pharmacies and Hospitals from its 40 branches using a large and developing on-line computer system.

The present Financial Director is returning to New Zealand on completion of 3 years' secondment. A replacement is required to take charge of the Accounting and Computer activities of the Company and to participate in the formulation of policy at Board level.

The successful candidate will probably be aged between 35 and 45 and be both broadly educated and well qualified professionally. Several years' experience in commerce outside the profession would also be helpful. Knowledge of the Distribution or Pharmaceutical industries - or both - is desirable, as is experience of advanced Computer Systems in the communication field. Above all, evidence of ability to bring an analytical and objective approach to bear on Company problems is required.

A five figure salary will be offered and a Company car will be provided as the Financial Director is required to visit each Branch/ Depot at least once a year. Residence will be required within 25 miles of Runcorn, where the Head Office is situated.

Applications should be made in writing to:-

The Managing Director, Vetric Limited, 4 Chapel Street, Runcorn, Cheshire, WA7 5AP.

Each one will be treated in strict confidence and no enquiries made of present or past employers without a candidate's permission.

Financial Director

Southern Home Counties £15,000+

A quoted U.K. engineering group with a £40m. turnover seeks a Chartered Accountant to be responsible to the Group MD for all accounting, control, reporting, systems and treasury matters in the U.K. and overseas. There is scope for improvement both in profit performance (in some subsidiaries) and in current asset control. Salary is negotiable and other conditions are realistic.

Candidates (male or female) will probably be 35-50. Ideally, their experience should cover the financial control of an industrial (engineering) profit centre, corporate banking practice, monitoring overseas subsidiaries and a group staff appointment. The personal qualities appropriate to a Board appointment in an independent quoted group should be self-evident. There will be some overseas travel. Prospects are not confined to the finance function.

For a fuller job description write to John Courtis at J.C. & P. Ltd., Selection Consultants, 73 Wigmore Street, London W1H 9DQ, demonstrating your relevance briefly but explicitly and quoting reference 7007/FT.

JC&P

International Personnel Executive Based in London

Our client is a major multi-national engineering organisation operating throughout the world, with a company headquarters in London and there are Personnel and related departments in several major locations to serve the needs of local management. This senior appointment based in London carries responsibility for the overall co-ordination and direction of the European departments with particular emphasis on maintaining the company's present excellent record of international industrial relations.

The appointment calls for a man or woman, between 35 and 45, with experience covering the whole range of personnel management, particularly industrial relations, in a multi-national environment. Applicants should have held senior appointments within major unionised and non-unionised organisations and these should have included management of administrative departments other than Personnel. The necessary depth of experience and maturity required to tackle this challenging role will appeal particularly to those wishing to develop, rather than maintain, high professional standards.

An attractive salary with excellent fringe benefits will be negotiated.

Write with full curriculum vitae to: T. C. Mallon, Director, Ref. CGI 65/4, Austin Knight Limited, London W1A 1DS. All applications will be forwarded to the client concerned, therefore companies in which you are not interested should be listed in your covering letter.

AK ADVERTISING

£7,500 p.a. plus Manager-Financial Applications LONDON International Computer Manufacturer

Good academic qualifications or a professional qualification plus accounting systems design and development experience. Familiarity with interactive systems essential. Development of manufacturer or bureau package systems desirable. Outstanding career opportunity for man or woman with a company offering excellent fringe benefits which include bonus, car allowances, pension scheme with life cover, BUPA and re-location expenses.

Suitably qualified candidates please phone 01-493 7117 for application form quoting MRD 8002 (24 hour answering service).

MRD

Management Recruitment Division
BOYDEN INTERNATIONAL LTD.
11/15 ARLINGTON STREET, LONDON, SW1A 1ED.
LONDON, PARIS, BRUSSELS, GENEVA, ROME, MILAN,
MADRID, BARCELONA, TOKYO, HONG KONG, CALZADA,
MEXICO CITY, SAN PABLO, AUCKLAND, MELBOURNE,
SYDNEY, JOHANNESBURG AND THROUGHOUT THE U.K.

Head of Group Taxation

£15,000+

The Barclays Group of Banks is keenly aware of the increasing need for creative consideration and control of the tax affairs of the Group. Recent reviews have indicated the benefits of strengthening and consolidating the internal tax function to complement the counsel of professional advisers. The Group is, therefore, anxious to appoint a Head of Group Taxation of creative mind and of the highest technical standing to lead this tax function. The importance placed by the Group upon this appointment will be seen from the fact that the successful applicant will report directly at Group Vice-Chairman level.

Main functions will include advice to the Board on the most favourable tax policies to pursue, the undertaking of creative tax planning and conducting research into the effects of recent and likely future legislation. He - or she - will lead for the Group in all important tax negotiations.

Expertise in financial legislation and skill in articulate presentation are key requirements.

Likely age range 35 to 40. The salary indicator is £15,000 but it could be higher. The benefits are impressive. Location London.

Please write in confidence for a description of this job and for an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3651.

FINANCIAL EXECUTIVE FOR SAUDI ARABIA

Tax-Free Salary and Facilities Negotiable

A recently-established investment company owned by prominent Saudi businessmen seeks general manager to develop the company's potential. In close collaboration with an international bank with Middle East/African orientation in which the new entity is a shareholder, the general manager will be responsible for profitable development of the new company's activities in Saudi Arabia, including:-

- Investment management and advice;
- Identification and packaging of viable private projects;
- Marketing and promotion of sound financing proposals.

The successful candidate would be an active financial executive in the 35-50 age group, resourceful and a proven self-starter. His experience should include knowledge of real estate financing, mortgages and foreign exchange/inter-bank markets. Experience in Arab countries desirable but not essential.

All applications will be treated in strictest confidence and should be addressed to Box A.6256, Financial Times, 10, Cannon Street, EC4P 4BY.

TRUST OFFICER Jersey

We are the Jersey subsidiary of Canada's leading Trust Company. As a result of continuing expansion, an opportunity exists for a capable and experienced Trust Officer.

The successful applicant will have sound practical experience of Trust Taxation, Trust Law and Administration, preferably with an international flavour. The ideal candidate will be aged between 25 and 35 and hold the AIB Trustee Diploma.

A competitive salary is offered together with a comprehensive package of benefits. Assistance with housing and relocation is available. Applications including a comprehensive C.V. should be sent to:-

The Personnel Officer,
THE ROYAL TRUST COMPANY OF CANADA (C.I.) LTD.,
P.O. Box 194, Royal Trust House, Colombeville,
St. Helier, Jersey, C.I.

CHEMICALS

We wish to appoint one or possibly two executives of Sales Manager calibre, having some experience in export-import business and preferably but not essentially within the sphere of bulk drugs, chemicals and allied materials. The positions are fully responsible and should provide opportunities for unlimited status and benefits in an organisation poised for world-wide development and growth. Salaries and other benefits are negotiable and appropriate to the importance of the appointments. There are no reasonable age limitations although applicants of between 26 and 34 might prove more suitable.

For application form, please contact:
I. P. MARTIN,
ANDARD-MOUNT LTD.,
24/28 London Road,
Wembley, Middlesex.
(01) 903 6388

Lending Officer to £7500

An as yet relatively small U.S. Bank seeks an equally ambitious young banker with the capacity to contribute towards its growing reputation for innovative, "made-to-measure" international financing. Essential requirements are a good degree, sound Credit experience and the ability to negotiate at senior level.

Credit Analyst £6000 - £7000

This is an appointment with a good name Consortium Bank offering a genuinely well-trained, experienced Analyst every opportunity to develop his/her skills on the basis of which to progress to wider responsibilities.

Bank Accounting c.£4750

2 extremely active International Banks each seek a really capable person to assist with wide ranging aspects of F/X and Deposit accounting with some emphasis on Management information, Currency revaluations, Positions, etc.

Please telephone either John Chiverton, A.I.S., or Trevor Williams on 405 7711.

David White Associates Ltd.

Lampden House, 84, Kingsway, London, W.C.2.

INVESTORS CHRONICLE

Financial writers

The Investors Chronicle has vacancies for a Senior Financial Writer experienced over a wide range of investment and business topics and for a Junior Financial Writer. A trainee might be considered for the second post. Applications in writing, marked "Private and Confidential," to:

Michael Brett, Editor, Investors Chronicle,
Greyfriars Place, Fetter Lane, London, EC4A 3DF.

Nationwide Building Society

Nationwide Building Society, a leading financial institution throughout the United Kingdom with assets in excess of £2,800 million, is seeking an assistant for

INVESTMENT MANAGEMENT

within its Head Office, Finance Division in Holford. The successful candidate will join a small team responsible for cash flow budgeting and providing accounting and management services on liquid funds which now exceed £500 million.

The interesting range of duties will appeal to those with good previous experience of accounting/administrative procedures relating to investment portfolio management. Commencing salary in the region of £4,500 per annum on a scale rising to £5,800 subject to job performance. The concessionary mortgage facility applies and other fringe benefits include season tickets, loan and four weeks annual holiday entitlement. The Society has its own Superannuation and Sick Pay schemes. Applications, giving details of age, experience and salary expectations should be sent to:-

M. H. Phillips ACCA IPFA MBIM
General Manager (Finance)
Nationwide Building Society
New Oxford House
High Holford, London WC1V 6PW

HAMBROS BANK

Leasing Executive

The Equipment Leasing Department of Hambros Bank has a vacancy for a marketing executive, aged between 25 and 35, with good commercial experience and sound knowledge of the leasing industry.

The successful applicant must have a proven record of financial marketing at the highest corporate levels, and will have the ability to combine negotiating skills with a high standard of technical competence in financial, legal, accounting and tax matters.

Salary commensurate with ability and experience, is negotiable, with good fringe benefits.

Applications may be submitted in strictest confidence to: Mr. A. F. Steel,
Manager, Hambros Bank
Equipment Leasing Department,
41 Bishopsgate,
EC2.

N. London

£12,000 + car

FINANCIAL DIRECTOR

The Company A major engineering business and a substantial exporter. A subsidiary of one of the U.K.'s leading high-technology groups - ranked in the Times top hundred companies.

The Job Total responsibility for the financial and data processing functions. The initial emphasis will be on the further development of well established management reporting systems.

The Candidate An accounting qualification is essential as is substantial experience in an engineering environment.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

E. J. Robins, The Executive Selection Division - RF502, Coopers & Lybrand Associates Ltd., Management Consultants, Shelley House, Noble Street, London, EC2V 7DQ.

Lawyer/Accountant for US Bank

A major American Bank is looking for a man or woman with a legal or accountancy qualification to fill the post of Senior Officer in the problem loan department of its City based headquarters.

Working in this rather delicate area, you will need diplomacy to back substantial experience in banking and/or insolvency and in real estate. A knowledge of German, Spanish or French would also be helpful.

We offer an attractive salary, plus all the benefits normal in a major bank including 5% mortgage scheme.

In the first instance please write in the strictest confidence, with full career details to N. S. Holker, at the address below quoting reference LA/217/FT. List separately any companies to which your application should not be forwarded. All replies will be answered.

B&B

CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

TOUCHE, REMNANT & CO.

Investment Staff

Late 20's London

Touche, Remnant & Co., provide investment management and secretarial services to a group of investment trust companies and pension funds. Total funds currently under management exceed £700m and the company is planning to increase its experienced investment staff.

The new member of staff will be primarily responsible for reviewing portfolios managed by the Group. He/she will organise and plan the work of some other members of the Investment Services Department.

The successful applicant should possess a professional qualification and/or a good university degree and a minimum of three years commensurate professional knowledge, acquired through practical experience in portfolio management or investment research.

A highly competitive salary will be offered and this post should lead to responsibility in Fund Management.

Please write or telephone for an application form, quoting ref. 908 to:

W. L. Tait,
Touche Ross & Co., Management Consultants,
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 8844



CORPORATE FINANCE

A leading firm of Stockbrokers with an active corporate finance business and a substantial list of company clients requires an experienced executive to play a key role in the planned expansion of this side of the firm's business.

The successful candidate is likely to have a legal or accountancy qualification and to have had practical experience of corporate finance work in a merchant bank or major stockbroking firm. The preferred age bracket is 30 to 40, but an exceptional candidate outside this range would be considered.

The position has very considerable potential for progress in a profitable and ambitious firm and will be rewarded on a fully competitive basis.

Applications will be forwarded direct to our clients, and you should indicate in a covering letter any firms to whom you do not wish to apply. Please apply in writing quoting reference 908, giving particulars of career, in confidence, to:

W. L. Tait,
Touche Ross & Co., Management Consultants,
4 London Wall Buildings
London EC2M 5UJ

Treasury Management Area Manager

A vigorous and successful City based bank of long standing wishes to appoint an experienced manager to service its numerous industrial and commercial clients located in West and North London.

This will entail visiting Companies at a senior level, identifying their requirements and helping to supply these in a creative manner. The job is active, varied and stimulating, and requires initiative, drive and a high level of intelligence.

Desirable specifications:
Banking, Accounting or Legal background.
Industrial/Commercial/Treasury experience.
Ability to get Business.
Age 30/35.

Remuneration around £8,500 with car and other benefits.

Please apply in strict confidence, quoting reference 1759 to Clive and Stokes, 14 Bolton Street, London W1X 8JL.

Clive & Stokes
Appointments & Personnel Consultants

MERIDIAN AMERICAN DEPOSIT CORPTN.

require

CD BROKERS FOR NEW YORK

- TWO YEARS' EXPERIENCE MINIMUM
- INITIAL APPLICATIONS IN CONFIDENCE PLEASE TO:

I. A. ROWE, Director,
Meridian Deposit Brokers Ltd.
35 London Wall, E.C.2.
Tel. (01) 588 1431

CAMPBELL NEILL & CO. INVESTMENT ANALYST

An Analyst is required to join our Research Department. The successful applicant will require to produce evidence of a thorough analytical training supported by an ability to produce and market high-quality work for institutional consumption. A record featuring specialisation in brewing, engineering or paper and packaging would be ideal although applicants with experience of other sectors, or a sound basic training, will also be considered. A professional or academic qualification is preferred but is not essential. Terms will be competitive in line with age and experience and all applications will be treated in strictest confidence.

Initially, please write or telephone to the following, giving a brief outline of past career:

James C. Hardie,
Messrs. CAMPBELL NEILL & CO.,
Stock Exchange House,
49 St. Georges Place,
Glasgow G2 1JN.
Tel: 041-248 6271

Northern Ireland Economic Council

Research Officer
£5,500 - £7,500Deputy Research Officer
£3,000 - £5,500

The Northern Ireland Economic Council invites applications for the posts of Research Officer and Deputy Research Officer.

The Council has been established by the Secretary of State for Northern Ireland to provide Government with advice on economic policy for the Province. It is composed of representatives of employers' organisations, trade unions and independent persons, and is chaired by Sir Charles Carter, FBA.

The persons appointed will report to the Director of the Council. Their duties will relate to economic planning and, inter alia, to the development of a programme of studies and research leading to recommendations to Government on means of improving the economic performance of Northern Ireland.

Candidates for these posts should hold an honours degree of good standard in economics or related studies such as statistics, accountancy, business management or administration. Candidates for the senior post should have substantial experience of the successful application of their discipline in the private or public sector.

Both posts are pensionable. The Research Officer will be paid within the range £5,500-£7,500 and the Deputy Research Officer £3,000-£5,500. Commencing salary for both posts will be dependent on qualifications and experience. In addition to the salary scales quoted, pay supplements of between £310 and £522 are payable.

Applications, supported by a curriculum vitae and the names of three referees, should be made to the Director, Northern Ireland Economic Council, Room 105, Parliament Buildings, Stormont, Belfast BT4 3TT, so as to arrive not later than 1 March 1978.

UNIVERSITY OF MALAWI THE POLYTECHNIC

Applications are invited for the following posts in the BUSINESS STUDIES DEPARTMENT as soon as possible.

SENIOR LECTURER/LECTURER IN ACCOUNTANCY. Applicants should have a good degree from a recognised institution and a professional qualification in Accountancy with teaching and/or relevant Commercial experience. Possession of a higher degree would be an advantage. The appointee will be expected to teach students reading for a three years University Diploma in Business Studies and degree studies in Accountancy.

SENIOR LECTURER/LECTURER IN BUSINESS STUDIES (TWO POSTS). Applicants should have at least a good honours degree from a recognised institution and/or professional qualifications with relevant teaching or commercial experience. A higher degree would be an advantage. For a Senior Lectureship appointment some administrative experience will be an advantage. Appointees should be capable of offering at least two of the following subjects at degree and/or diploma level: Economics, Accountancy, Business Administration, Law, and Financial Accounting. Salary scales: Lecturer K3500-K6600 p.a. Senior Lecturer K6500-K8000 p.a. (£1 sterling = K1.67).

The British Government may supplement salaries in range £3,450-£4,176 p.a. (sterling) for married appointees and £2,184-£2,862 p.a. (sterling) for single appointees (reviewed annually and normally free of all tax) and provide children's education allowances and holiday visit passages.

If no British Government supplement is available, the University may pay an addition of between K1320-K1650 p.a. for Lecturer and between K1640-K1690 p.a. for Senior Lecturer (taxable in Malawi). Family passages: superannuation scheme. Gratuities 15% - 25%; biennial overseas leave; housing and various allowances. Detailed applications (2 copies) with curriculum vitae and naming three referees to be sent to Registrar, University of Malawi, P.O. Box 278, Zomba, Malawi, by 1st March, 1978. Applicants resident in U.K. should send one copy to Inter-University Council, 10/11 Tottenham Court Road, London W1P 0DT. Further details may be obtained from either address.

Finance Director

Essex

up to £12,000

The responsibility is for the accounting function of a manufacturing and trading company with a turnover in excess of £20m.

The company operates independently from its parent group and, therefore, requires creative financial information and guidance internally, coupled with the timely preparation of management and financial accounts.

The job calls for a qualified accountant, aged over 30, with experience of developing standard cost

accounting systems and working with others to improve profitability, and making best use of the company's assets. Career prospects are within an international group of companies either in finance or general management.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications. Please write to Dr. I. Bowers quoting ref 676/FT on both envelope and letter.

Deloitte, Haskins & Sells, Management Consultants,
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

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OUR CURRENT CITY AND FINANCIAL OPENINGS INCLUDE:

STOCKBROKING INSTITUTIONAL SALES

With major house, 24/20, research background an advantage. Bias to leisure and retail areas preferred. Salary up to £18,000. Opportunities in internal consultancy and management accountancy in major trading and consumer goods multinational. Outgoing and high flying personalities sought. Considerable travel and prospects. £7,000.

Please contact Colin Barry at Overton, Shirley and Barry (Management Consultants) 17, Holwell Row, London, EC2A 4JB. Tel: 01-247 8274.

Overton Shirley and Barry

WEST END

SURVEYORS AND ESTATE AGENTS

have vacancy for an ambitious assistant, whose talents and creative ability will be met by future prospects.

Write Box A.6259,
Financial Times,
10, Cannon Street, EC4P 4BY.

EVANS EMPLOYMENT AGENCY LTD.

Will welcome your enquiries in strict confidence about positions in stockbroking.
15, Copthall Avenue,
London EC2. 01-628 0985.

I HAVE EARNED £2,800 per month since applying to a similar advertisement in 1975 and am looking for a dynamic person to join me at Hamble Life. The work is varied and extremely rewarding. Location, London, Essex. The person must have successful background, age 25-35. Telephone Barry Wupper 027 8245189 3179 or write 516 Argyle Street, London, W.1.

INTER-BANK dealer circa £5,000 required to manage private brokers. V.P.N. Employment (Agy.).

INTERNATIONAL BANK require fully exp. FX supervisor to head dept. Responsible to Dept. manager, circa £5,000. 24 hrs. Resumes preferably, V.P.N. Employment, 6, Liverpool St., E.C.2. 01-253 6022.

RETIRED BANKER required by small private company in Kensington as Office Manager of property development company. Salary £2,500. Write Box A.6255, Financial Times, 10, Cannon Street, EC4P 4BY.

Banking

Eurobond Manager

c£15,000

A professional Eurobond executive aged around 30 is required to assist in the development of a rapidly expanding institution.

Ref NCP

Credit Management

c£9,000

This senior position in the Loans Department of a major international bank calls for substantial experience of credit analysis and loan documentation.

Ref AJT

Investment Accounting

£5,750 to £7,000

Leading investment bank requires an effective administrator, 25-35, with accounting experience and a knowledge of international securities markets.

Ref AJT

Credit Analysis

c£7,000

A strong background in credit analysis is essential for this developing career opportunity with a consortium bank of impeccable parentage. Ideal age 25-30.

Ref AJT

Syndications Executive

c£7,000

Prominent Merchant Bank requires an intelligent banker, 26-28, with good all-round credit experience, to play a significant part in the expansion of its Syndications Department.

Ref NCP

Credit Assistant

c£7,000

Major international bank seeks two young executives, 27-32, with all-round international banking experience and a sound knowledge of credit analysis and administration.

Ref TOK

Investment Assistant

to £5,000

A rare opportunity to join the Investment Division of a well-respected US bank. Candidates, 25-35, should have a sound knowledge of the administration of UK and foreign securities.

Ref TOK

For further details, telephone 01-248 3812 in confidence.

NPA Recruitment Services Ltd

60 Cheapside, London EC2. Telephone: 01-248 3812/3/4/5.

OPERATIONS MANAGER

Age 30-40

BANKING

£12,000 +

AN OUTSTANDING OPPORTUNITY OFFERING A CHALLENGING LONG-TERM CAREER

A leading International Bank with major expansion plans seeks an innovative, ambitious Manager with both commercial and technical experience, to control the daily banking operations. Specific responsibility for Documentary Credit, Bills and Foreign Transfers means that the successful applicant will be fully conversant with these areas, with experience gained from within a recognised Banking name. The possession of the Bankers' Diploma is mandatory, and personal qualities must include the ability to fulfil a practical and demanding managerial role.

Salary is negotiable around the above figure, and benefits benefit the considerable importance attached to this appointment.

Please telephone, in strict confidence, Rod Jordan

BANKING PERSONNEL

41/42 London Wall, London EC2. Telephone: 01-588 0781

(Recruitment Consultants)



OPPORTUNITIES FOR NEWLY QUALIFIED ACCOUNTANTS ON MARCH 9 1978

The Financial Times proposes to publish, within its regular Thursday Appointments columns, on March 9 1978, a section headed "Newly Qualified Accountancy Appointments." This section is timed to appear following the results of the Finals, when several thousand newly qualified accountants will be in search of career opportunities. For full details of advertising in this section contact: James Jarratt on 01 248 8000. Ext. 539.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Merchant Banking

c.£10,000

One of the world's largest commercial banks has established a significant and profitable subsidiary which specialises in providing loans and services to the property and construction industries. An executive is now required who will report to the Managing Director and contribute to the expansion of the business but with a new emphasis on developing a corporate finance function. Using outside professional help as necessary, the person appointed will conduct investigations, make recommendations on acquisitions and advise on investment and disinvestment. Candidates ideally aged under 30 should be accountants or graduates. Their experience gained in a merchant bank or property company should cover the preparation of loan documents or other contractual obligations. They must also be able to negotiate and progress business at senior levels. Salary is negotiable at about £10,000 plus attractive fringe benefits. Location Central London.

PA Personnel Services Ref: GM34/6309/IFT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Financial Controller

Nigeria

£18,000—20,000 equivalent

NORTHERN NIGERIAN INVESTMENTS LIMITED (NNIL), a finance development company established in 1959, is concerned with the promotion and expansion of a wide range of agricultural, commercial and manufacturing industries in Nigeria.

Applications are invited for the vacant post of Financial Controller to be responsible to the General Manager for advising on the financial and investment policies of the Company, as well as the management of the entire accounting function. Examination of proposed new business investments will involve a certain amount of travel.

Candidates for this key appointment should be fully qualified Accountants (ACA or ACCA) in their mid-thirties with a strong background of previous experience in investment and development finance. Preference will be given to those with additional experience of overseas employment.

The appointment in the first instance will be for a period of 2 years but will carry good prospects of contract renewal by agreement. The salary and terms of service reflect the significance of this senior post. Benefits include comfortable, rent-free, furnished housing, educational assistance, free family passages and medical attention, and annual home leave.

Applicants should write giving full personal particulars and details of experience to Head of Personnel, Commonwealth Development Corporation, 33 Hill Street, London, W1A 3AR, quoting serial number 2003.



REGIONAL CONSULTANT

£6,500 p.a. + Profit share

A rapidly expanding national company requires immediately a self-motivated professional to implement planned regional expansion. The successful candidate will possess experience of man management and training, speciality sales and thrive on autonomy, flexibility and long hours in the field. Responsible directly to the Board this is a key position in the company and benefits include company car, expenses and profit share related to performance. To arrange an early interview phone:

W. A. Burke, Managing Director, Promotacar (U.K.) Ltd. Tel: 01-697 5000/9.

Planning Officer

Grindlay Brandts Limited is the merchant banking arm of the Grindlays Bank Group and covers a range of activities including Eurocurrency loans, Shipping Finance, Export Finance, Leasing and Corporate Finance.

Owing to internal promotion, an opportunity has arisen for a Planning Officer to assist the Managing Director in developing the strategy and long-term plans of Grindlay Brandts.

Key tasks will include:

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You will probably be aged 25-30 years and have a good degree or professional qualification. A post-graduate degree or diploma in business studies would be a decided advantage, and a knowledge of accounting would also be very valuable. You should have at least two years' work experience, not necessarily in planning but in a related activity such as economic or financial analysis. A keen interest in the international and domestic economic/financial environment and a proven ability to make clear and useful written and verbal presentations are essential.

Salary will be negotiable from £6500 and excellent benefits include assistance with house mortgage and non-contributory pension scheme.

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required by leading French bank. Aged late 20s early 30s. Good knowledge of primary and secondary markets. Mother tongue English with working knowledge of French. German an added advantage. Position is Paris-based with attractive salary and career prospects.

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Please write with full details of qualifications and experience to Position Number ABC 885, Austin Knight Limited, Hagley House, Hagley Road, Birmingham B16 8QQ.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

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Our client is a well-known firm with a first-class reputation for research. They are looking for an additional analyst to join their research/sales team covering the Electrical sector.

Applicants (preferred age 25-30) should have at least two years' experience covering the Electrical sector, be able to write clear and concise reports and, preferably, have experience of discussing their research with Fund Managers and Institutional Analysts.

The position should appeal to an ambitious individual who is now looking for the opportunity for career advancement in a specialist firm.

Please contact F.J. Stephens who will treat all enquiries in the strictest confidence.

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Telephone 01-626 6525

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TEMPERLEY INVESTMENTS LIMITED

IN THE MATTER OF THE COMPANIES ACT 1948

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The Marketing Scene

Opex buys 40% of French agency

THE U.K.'s largest communications agency, Opex, has acquired a 40% stake in the French agency, Robert & Partners, which is one of the fastest growing advertising agencies in France, for an undisclosed sum.

Opex was formed in 1973 and last year had a turnover of £22.5m. Its share of profits was £2.5m, an increase of 40% on the previous year.

Opex said yesterday that the acquisition of Robert & Partners was a major step in its European expansion programme. In the past, it has had five general offices, including Interlink and Kirkwood Company, as well as two specialist agencies, St. James and White Recruitment.

Opex's last year, excluding marketing services, were £1m. (£22.5m.).

Opex's interests in groups in Holland, Belgium, France and Africa as well as the U.K. are being developed on a group basis, including marketing services, are now £50m.

WITH STOCKS of at least 100 cars and a still-falling price of market, British Leyland is putting an estimated £1m. into its new Superdiesel campaign for six models in the Morris range. Leyland is claiming it can at least match the success of its Superdiesel promotion, two years ago, which improved its share of the market from 27 per cent. to 40%.

THE NATIONAL Magazine Company is launching a new monthly women's magazine called Company in September. It will be a 16-24 age group. Initial circulation is expected to be at least 300,000.

KEITH WILLIAMS has been appointed to the Board of the Noise Abatement Society and eight members of the public objected to the Black Box phrase, "Sound enough to fill your neighbour's house as your own."

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Getting the name right

BY MICHAEL THOMPSON-NOEL

OVATINE, PERSIL, Lux, Lucozade. Brand names and trademarks have an important role to play when it comes to launching a new product or marketing an existing one. Yet according to John Murphy, managing director of London's Novamark International, too few companies possess any real grasp of the importance of brand names, or of the legal complexities of the international name game.

Novamark, which specialises in researching, devising, registering and then helping to protect brand names, was set up in 1974, when it was considered something of an odd ball.

However, since then says Mr. Murphy, companies have at least started to come to the view that trademarks ought to be made to work harder in the marketing of a product, and his company has collaborated with numerous big names like Dunlop and Cadbury Schweppes.

To illustrate the importance of properly researching a name for a new product, he tells how he was, once approached, in considerable panic, by a food com-

pany which had adopted a name for a new product supplied by its advertising agency. At the last moment someone thought to do some checking, and the brand name that had been chosen was found to conflict with no fewer than 26 U.K.-registered names.

"They were really panicking," says Murphy. They had spent £150,000 on packaging and £20,000 on a TV commercial. Then they discovered these 26 names. The company's lawyers advised them to scrub the name and start again, which would have involved a total write-off of more than £250,000. They asked for my advice. I told them: "Take a deep breath and plunge in."

A good name, says Mr. Murphy, is important in getting a product started. "Names cannot be changed, and a good product with a good name will almost always sell better from the start than a good product with a bad name."

There are approximately 500,000 registered brand names in the U.K. Names are registered for seven years to start with and are renewed every 14. Registration costs approximately £100. Of the 16,000 applications received each year, 10,000-12,000 are successful, but the process by which the best names are researched and devised, particularly in name-

cluttered markets like soft fruit crush. "At the time, Schweppes had very powerful brands in mixer drinks but it didn't have international strength in pop or colas or soft drinks. We put together a portfolio of international soft drink names suitable for 20 major countries and finished up with seven really powerful international marks."

Cariba showed up extremely well in consumer research. It was thought to have an Alpine quality yet at the same time was considered warm and exotic. It was easy for children to pronounce and works in all languages.

Not that Cariba was totally free. Beecham was found to own the rights to the trade name Cariba, so to head off any misunderstandings, Schweppes bought Cariba from Beecham for £100. (On a much larger scale, Estro reportedly paid Dunlop an estimated \$250,000 for the rights to the name for its new car tyre.)

Mr. Murphy first came across Novamark from the client end while working for Dunlop on the launch of a new safety tyre. The search for the right name had meandered on for two years. At one point Dunlop turned to its

employees, offering a cash prize and would cost £2,000-£2,500. To for a suitable name. The workers cover the EEC it would cost got excited, sending in 9,000 around £10,000, and to produce entries which included ad jingles, a name for world-wide use in at layouts, poems and drawings. At least 25 major markets—a project Some of the names that turned out involved at least a year's work on displayed real zeal: Jack the —the bill would be more like Gripper, Erevta, Bottom of the Pops, Flatypus and Windbag. But it sounds like money well none met the marketing and spent. As Novamark says: "It is legal criteria, so Dunlop turned significant that the most success- to Novamark which after five and ful consumer product companies a half month produced the name are those who take the greatest interest in brand names. They

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Should the professions advertise?

BY MIKE WATERSON

OVER RECENT years there has been a great deal of discussion between the Government and professional bodies on the restrictions which the professions apply to their members. One of these in particular—the ban on advertising—has, perhaps surprisingly, received considerable criticism from Ministers, the Monopolies Commission and the Office of Fair Trading.

Although some professional bodies have relaxed or even abandoned the ban recently, many professions still show a marked reluctance to accept the benefits that might accrue from a more active competitive stance.

With evidence now accumulating in the U.S. where more rapid progress has been made in overcoming the traditional reluctance of the professions to indulge in competitive activities, the present is as good a time as any to reassess the possible costs and benefits of a change in attitude in the U.K. both to the community and the profession.

The ball really started rolling in 1970, when the Monopolies Commission reported on the professions. The Commission stated categorically that it could see no reason why the competition that was supposed to be so healthy in other business areas should have the opposite effect on solicitors, architects, accountants, doctors, and management consultants, nor indeed on any of the 150-plus professions.

The Commission followed up the argument with detailed reports on individual professions that concentrated on the supply of various services, restrictions on advertising imposed by the bodies concerned.

In putting forward evidence to the Commission, most of the professions had claimed that the restriction on advertising would produce an undignified scramble for business which would lead to lower professional standards and enable unscrupulous practitioners to deceive potential clients. They also claimed that since advertising has a cost, it would inevitably lead to higher prices and/or poorer quality work.

Although allowing that such arguments were sincerely held by many professional people, the Commission's findings in general were in favour of allowing adver-

tising. For example, the Commission's report on solicitors stated categorically that the monopoly situation existed in favour of solicitors that resulted in disadvantages to the public interest in that existing restrictions on the advertising of solicitors services prevented the public, as well as potential new entrants to the profession, being given information about the services offered by individual solicitors, and that the restrictions were likely to have disadvantageous effects on the profession's general competitiveness and efficiency as well as on the introduction of new methods and practices.

"We have considered the various benefits claimed to result from the restriction," said the report, "but find that the disadvantages outweigh the advantages to the public interest."

Essentially the Commission was recognising that advertising is one facet of competitive market behaviour, and that because of the importance of market information in bringing together buyers and sellers, there was one that should not be discouraged insofar as certain rules of behaviour were observed. The Commission also explicitly recognised that advertising was one of the more controllable forms of selling activity because of its inherently public nature.

Only two further arguments are worth adding to the very comprehensive Monopolies Commission summary. First, advertising is one of the most cost-effective ways of communication, and in this sense may lower costs since some form of advertising activity is necessary in most professions. Second, greater information about sellers will lead to greater specialisation in the provision of services. Abhorrent though the thought may be to some professionals, greater specialisation would lead to greater expertise, lower costs, lower prices and/or greater profits.

This last argument is most important because it provides the basis for rejection of the unfavourable anti-advertising argument of academics—that advertising is simply an additional cost with a zero social product. Even if the introduction of advertising were to leave market shares unchanged, it is unlikely that a major benefit to customers (a positive social product) would undoubtedly arise since in all probability customers would have greater market knowledge and would therefore tend to "consume" services with characteristics which better served their needs.

What could the professions themselves expect to gain? Given the very nature of most professions it is unlikely that major changes would occur overnight. It is likely that the most efficient, innovative professional practices would gradually take business away from the more moribund organisations and individuals. However, opportunities would exist for much faster growth by new entrants to the market, or organisations able to better the undoubted strains of rapid expansion.

One possible approach when looking at possibilities in this area is to examine the experience of the U.S., where the Supreme Court ruled recently that a ban on advertising by lawyers was unconstitutional.

The New York Board of Regents has gone even further by ruling that doctors and dentists can advertise as well, and the New York papers have written about some quite spectacular success stories since these rulings took effect. One New York dentist was quoted as saying: "Since I began advertising my practice has increased by a least 500 per cent."

The theoretical benefits to the customer have already been discussed, but what hard evidence is there that prices would really fall without impairing quality of service and other non-price benefits? Again, we have only the U.S. experience to act as a guide, but some quite detailed conclusions can be drawn from this.

Some States in the U.S. have allowed advertising by opticians and pharmacists for many years; others have banned advertising.

Given this, academics from the Universities of Chicago and Arizona have contrasted price-quality relationships in states which allow advertising with those that do not. In 1972 Professor Benham found that "the estimates of eye-glass prices alone suggest that advertising restrictions in this market increase the prices paid by 25 per cent. to more than 100 per cent. Furthermore, these estimates are likely to underestimate the total savings to consumers occasioned by advertising since the search process itself is less expensive when information is more readily and cheaply available."

In a study of pharmacies by Professor Cady the conclusion was that prices were significantly higher across all size classifications of pharmacies in states regulating prescriptive drug price advertising than in non-regulatory states.

It would appear likely, therefore, that the weight of evidence concerning the value of advertising, coupled with Government pressure, will eventually lead to advertising by professionals becoming more widespread. The dangers of advertising, even for the medical profession, have been greatly exaggerated. Nobody is advocating total freedom; there are already stringent rules in the Code of Advertising Practice, and special regulations will undoubtedly come into effect when a particular situation calls for extra care.

The advertising industry and legal systems have shown that they can handle advertising for banks, insurance companies, investment trusts and medical preparations without disastrous results. The major question now is how long it will be before the professions take more seriously an activity they have for too long regarded with suspicion and distrust.

Mike Waterson is director of research at the Advertising Association.



Some of the brand names developed by Novamark. It can cost from £2,000 to £25,000 to develop a name.

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A FINANCIAL TIMES SURVEY WORLD DEFENCE INDUSTRIES

MARCH 1 1978

The Financial Times proposes to publish a survey on World Defence Industries on March 1st, 1978. The provisional editorial synopsis is set out below.

Despite attempts by some countries to cut defence spending, directly, and to reach strategic arms limitation agreements; defence remains one of the world's biggest industries, collectively accounting for outlays of well over \$300bn. a year. Demand especially for conventional weapons, continues to grow, especially in the countries of the Third World, and there is fierce competition for these markets.

THE BIG BUYERS AND SPENDERS The shift in emphasis in recent years towards conventional, as opposed to nuclear weapons has created major new opportunities for the world's big armaments manufacturers. In the U.K., the effect of cuts in home defence spending and limitations on some overseas markets, such as South Africa, has forced the defence industries to seek new business elsewhere, such as the Middle East, South America and South-East Asia.

THE PRESSURES AND PROBLEMS IN NATO Deep concern has been expressed about the cuts in U.K. defence spending, and their effect on the Alliance, at a time when the Warsaw Pact is building up its conventional forces. At the same time, NATO has a major problem in seeking greater standardisation, both to get the best value for money and to improve military efficiency.

THE U.S. POSITION While seeking a new SALT agreement with the Soviet Union, the U.S. remains the Western World's biggest arms builder and supplier. The restrictions on arms sales imposed by President Carter do not yet seem significantly to have diminished the overall volume of business in weapons of all kinds, which is likely to rise this year.

THE WARSAW PACT Defence spending remains very high, especially on conventional weapons, on which there has been great emphasis in recent years. The shift has caused a considerable reappraisal of Western defence thinking, and forced a comparable shift in emphasis towards conventional forces.

THE STRATEGIC ARMS LIMITATION TALKS What progress has there been so far in the search for a new SALT agreement? What has

happened to earlier ideas for Mutual and Balanced Forces Reductions (MBFR)? What would the likely effect of such an agreement be on the world's defence industries?

THE MIDDLE EAST This continues to be an area of keen competition for the major arms manufacturers, and some major new developments are in prospect for example, the creation by the Arab Military Industrial Organization of an indigenous arms-production capability. At the same time, some Western countries, such as the U.K. and the U.S., are helping substantially to develop the Royal Saudi Air Force and other armed forces in the area.

CHINA'S GROWING ROLE Although little is heard of China's armory, it is substantial, and growing, with the help of Western countries.

AFRICA The emphasis upon the establishment of well-equipped and well-trained military forces has been a feature of many of the rapidly developing countries in Africa, and the uncertain situation in some parts of the continent has led to a substantial arms trade.

NEW TECHNOLOGY IN DEFENCE — NUCLEAR WEAPONS In recent years, there have been some significant new developments in nuclear weapons, with increasing capability to provide smaller, tactical, weapons whilst increasing the destructive potential of bigger missiles.

NEW TECHNOLOGY IN DEFENCE — ELECTRONICS Spearheading much of the new developments in defence engineering and technology has been the development of new electronic techniques which are developing into major markets for the world's defence industries. Many of the techniques coming out of the electronics industries are themselves developed from the necessities of defence research.

For further details on the editorial content and advertising rates please contact Nicholas Whitehead, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000. Ext. 7112.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys published in the Financial Times are subject to change at the discretion of the Editor.

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The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books — and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten: the widows, the orphans and the children — for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.

This is where Army Benevolent steps in. With understanding. With a sense of urgency... and with practical, financial help.

To us it is a privilege to help these brave men — and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund
for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

MARKETING APPOINTMENTS

Platinum
Head of Marketing & Promotions
£10,000-£12,000

The Platinum Guild, sponsored by the Western World's largest producer of platinum, has been established within J. Walter Thompson London to encourage wider use of the metal in jewellery design and manufacture in the UK.

A very senior marketing and promotions executive is required who will liaise between the advertising agency, the South African producer company, the UK marketing agents and fabricators, and the market. Substantial budgets have been appropriated to service this operation as part of a multi-million pound campaign which is being undertaken in other major countries as well as the UK.

In addition to administering the established UK Secretary, the executive will be involved in promotions, including exhibitions, trade press and technical information services in the UK to achieve substantially increased volume.

Candidates should be aged 30-40 with at least 5 years' senior experience in product management and marketing with a consumer bias. A lively intelligence, a highly presentable personality, good administrative skills and the ability to take the initiative are more important than formal qualifications. Strong motivation to achieve a real and lasting commercial success is vital and will be rewarded.

The position is based in London and will involve considerable travel in the UK, as well as a familiarisation visit to South Africa.

Candidates should send a detailed career history to the consultants advising on this position, quoting reference G21/FT.

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Telephone: 01-248 8000

Thursday February 9 1978

Making bad worse

THE MINERS' decision to settle their wage claim within the 10 per cent guidelines is a considerable triumph for the Government's counter-inflation programme. The policy of firmness in the public sector appears to be paying off, though the challenge from the power workers is still on the table. By contrast the Government's approach to the private sector, involving a series of improvisations to suit particular situations, is increasingly open to question. The latest of these improvisations, which has raised a predictable storm of protest, is presumably intended not only to make its policy more effective but to make it appear more reasonable.

Ministers can argue that they are free to choose from the various competitors for a state contract the firm which best conforms to their conception of the national interest, in particular with respect to its readiness to observe the incomes policy guidelines. They can point out, too, that here as in the U.S., state contracts often contain clauses requiring the contractor to observe certain statutory requirements. At present, for example, they regularly demand observance of the 12-month rule. Whether or not the new proposal increases the Government's ability to control inflation remains to be seen. What seems beyond doubt is that it will aggravate in two ways the main disadvantages of existing practice. It will tend to make the pay structure of industry more rigid still, and it will increase the arbitrariness with which the state dispenses its benefits to industry.

Inflexibility

The gradual return to greater flexibility of pay structures, which was expected and intended to be the characteristic feature of the current bargaining season, has been largely frustrated by the way in which Ministers themselves emphasised the 10 per cent figure. This was meant to be an average increase in earnings. It has come instead to be regarded as a minimum increase in basic pay and, because so few people have been willing to settle for less, the Government has come to insist that nobody (or, at least, not many people) should settle for more.

India and Iran get together

ATTEMPTS by Middle East or Asian states to combine their economic muscle in some regional alliance have so often come unstuck that it would be premature to herald any new grouping in South West Asia. But the partnership that seems to be developing between Iran and India makes a lot of sense and has broader political implications.

Iran is a major oil producer with the wealth to carry through its ambitious industrialisation programme but desperately short of skilled manpower as well as key natural resources from Iran to oil. It is geographically isolated in that it has a hostile Communist neighbour to the north and a suspicious Arab world to the south. There is no obvious export market at its backdoor for the output of its new industries. India, with its 600m. population, abundance of trained manpower, shortage of energy but considerable natural resources and (at the moment) considerable excess capacity in its engineering industry is in many ways a complementary power. In his recent visit to Delhi, the Shah's main concern was to press this marriage forward.

Future supplies

The immediate outcome has been an impressive list of agreements that at face value assure India large quantities of oil at no foreign exchange cost. Iran will invest the receipts in Indian projects such as the development of the Rajasthan desert and a grain producing region and the setting up of a pulp and paper factory with a view to assuring itself of future supplies of these commodities. Beyond this India's engineering industry will get a larger slice of ever scarce Pakistani machinery. Sadly it has been the tragedy of this India's engineering industry that it has been competing for elsewhere in the Gulf. Logic would suggest that the two sides

The effect of this has been to narrow differentials: freeze existing pay structures whether or not they are satisfactory; create labour shortages; and encourage artificial movements of employees from one firm to another—quite apart from forcing employers to devote more time than they can spare to thinking out ways of limiting the damage likely to be done to their businesses. But now the Government is apparently determined to enforce the 10 per cent figure on its suppliers more rigidly than ever. With more and more talk of a continuing pay policy, moreover, the application of such a condition beyond mid-1978 becomes a question of some importance. The maintenance of a flat norm for pay increases would do immense damage. The policing of a more flexible norm, on the other hand, would present great administrative difficulties.

Precedent

The second way in which the Government is proposing to make a bad situation worse, however, is more fundamental. The White Paper of last summer did not lay down guidelines for increases in individual wage rates or earnings, admitted that this was not possible, yet threatened sanctions against firms which entered into settlements quite clearly inconsistent with the policies set out in the White Paper. The evil implicit in this approach has turned out as expected: discrimination between one firm and another on grounds that cannot be questioned because they are not published but are determined ad hoc by bureaucratic or political process behind closed doors.

The new proposal will increase the scope of the state to take arbitrary decisions against which there is no appeal. Although it has been conceived in the context of the current wage bargaining round, moreover, there is no obvious reason why the principle behind it should not be extended to future phases of pay policy, perhaps, or to planning agreements, or to almost anything in the industrial field which the government of the day would like to achieve without having statutory powers to do so. The danger of the precedent itself is so great that one should expect Ministers to acknowledge it. Having done so, they should have the courage to retreat.

Image of failure

The loser from such a constellation is Pakistan. In the 1960s it held its head high as an economic success beside both Iran and India. Now Pakistanis see reflected in the mirror an image of political and economic failure and are understandably anxious at being reduced to a dependency of their two larger neighbours. Because of this there is strong hostility in Pakistan to granting Iran and India road and rail transit rights through its territory that could further advance the growth of these economies. This is a short-sighted view in that this India's engineering industry is likely to proceed apace whatever stance Pakistan may take. Sadly it has been the tragedy of this India's engineering industry that it has been competing for elsewhere in the Gulf. Logic would suggest that the two sides

Japanese cars and the growing shadow of protectionism

BY TERRY DODSWORTH, Motor Industry Correspondent

YESTERDAY'S announcement from Tokyo indicating that the Japanese car manufacturers will not accept any informal agreement to limit the export sales to the U.K. this year, has both a particular and a general significance. For the two main protagonists, the Japanese and British motor industries, it means another period of acute trading uncertainty with the shadow of Government-backed import curbs looming in the background. But for the world car manufacturers, who have been watching developments with increasing fascination, it signifies another tottering step towards protectionism.

Talks between the two countries have taken on this dimension because of the positions of Japan and the U.K. as leading trading nations with a commitment to liberal trade policies. What is at stake is whether the U.K., under the threat of an imminent collapse of its own vehicle manufacturing sector, can head off the fast-growing Japanese industry through diplomatic means. If it cannot, and if the British Government is forced to step in with restrictive import measures, the whole sensitive structure of world car trading developed in the past 20 years is threatened.

Not all car manufacturers would be unhappy about a return to more restrictive trading patterns. Indeed, many look back to the way in which the motor industry was developed behind barriers of one kind or another with a great deal of nostalgia. Until the 1950s, this pattern of trading was the norm for the industry. In Britain, for example, tariffs were introduced in 1915, and apart from a brief spell in the 1920s, stood at between 22 per cent and 33 per cent until the Kennedy Round negotiations. Japan, which had no car industry to speak of at all until the 1950s, only began dismantling its own tariffs in 1967. Although these are now down to zero, foreign manufacturers still complain about hidden barriers such as unnecessarily complex local regulations.

Despite these trading limitations, there were plenty of opportunities for overseas business after the last world war. European countries led by Britain, which emerged with the most intact vehicle industry, still had their old colonial territories available, and gradually U.S. customers began to take note of the smaller, European-type vehicle. A great deal of the new capacity put down in the 1950s and 1960s, and increasingly in Japan during the later period, was dependent on these export markets: indeed, the disappearance of much of Volkswagen's market in the U.S.

The effect of these newly-established industries has been to shut out the older exporting nations. Commenting on this trend recently, Herr Heinz Brantzi, finance director of Porsche, the German sports car manufacturer, had this to say: "It is often argued that we sell too large a part of our output in the U.S. in a normal free trading climate this would be a legitimate criticism. But in our view we have come to the beginning of the end of free trade all over the world."

"We have lost ten markets in the last few years. We are now out of Latin America because they have closed the market

MEN AND MATTERS

Salad days are here again

Prior to the referendum on British membership of the Common Market, a heated exchange took place in the House of Commons as to the voting rights of British subjects resident outside these sceptred isles. Should they or should they not be able to cast their vote on this momentous occasion? The official Tory view was that they should, but this was swamped by the Government's line that such people were mainly "lotus eaters" who had somehow forfeited their rights to decide Britain's future by having opted instead for a sybaritic life of sun, wine and beautiful women.

The debate was, apparently, followed with some interest in the foreign, particularly French Press. What they made of it is open to question, as one correspondent reportedly translated "lotus eaters" as "lettuce eaters."

Fortunately another chance to put the record straight is now at hand. Yesterday in Parliament, opposition speaker Douglas Hurd put forward an official Tory amendment to the European Assembly Election Bill, urging that British subjects living and working in EEC countries, including presumably both lettuce and the occasional lotus eater, should be able to vote in the direct elections. The Government view is still that such rights belong only to those masochists who remain residents of the U.K., salad lovers or not.

Radical flick

The prospect of a leftwing victory at the forthcoming French elections might send shivers through the foreign exchange



market, but is eagerly awaited as the dawn of a new era in French cultural life by many French film makers and artists. At least, that was what I was assured by film director Jean-Daniel Simon. His film about the black, beautiful and Marxist—Angela Davis called "L'Enchaînement" was shown last night at the National Film Theatre as part of the third annual week of French films. Simon, together with fellow director Jean-Louis Bertucelli and Jacques Nicaud, President of Unifrance, were in London to publicise the latest 11-film offering, mainly by young and little known directors.

Compared with the hapless British independent film industry, still awaiting a shot in the arm from Sir Harold Wilson and his film committee, French film makers have little to complain about even under the present regime, I suggested. Unifrance, the organisation which largely concerns itself with getting French films known

and sold abroad, receives for example 9m. francs annually from the French government, compared with the 130,000 francs contributed by the film-makers themselves.

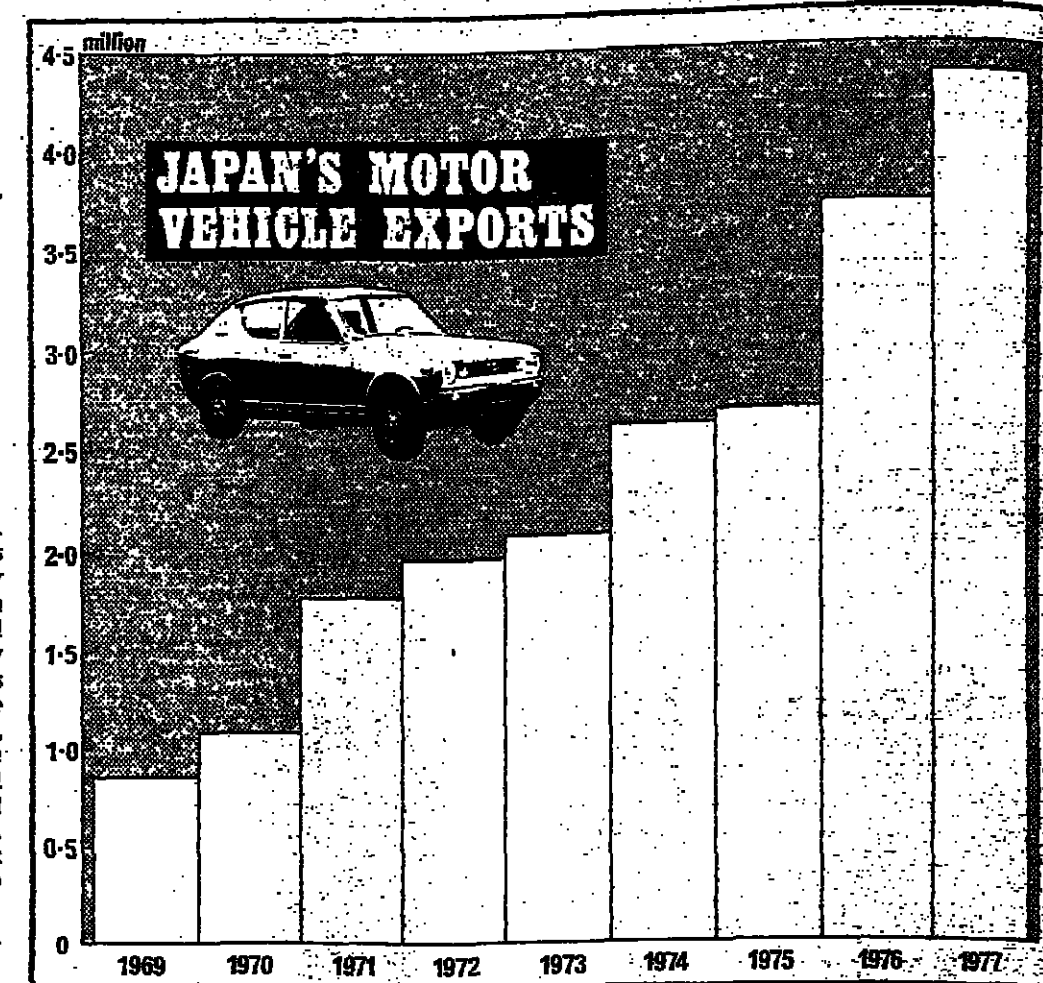
Simon agreed it was easier for independent French film makers to make films than their British counterparts, who are largely dependent on TV films or making American super-productions like Star Wars and Superman.

What was wrong with the British film industry? I asked. "Films are both industry and art," he told me. "The British appear to have concentrated too much on the industry side. Art, and all the talent which exists here has been neglected. We are determined that this should not happen in France."

A different don

The search is on for a professor of a kind never seen in Britain before. He will occupy the Chair of Export Management at London's City University—and is most unlikely to be at a university now. The Midland Bank thinks that the country's need is so acute that it has given £250,000 to sponsor the Chair.

I asked Dr. John Treasure, dean of the university's Business School, whether it was hoped to turn out export whizz-kids. Although advertising man Treasure only took up his own job last month, and spoke to me after emerging from a J. Walter Thompson Board meeting, he shied away from such unacademic language. "We believe there is a need for somebody with time and capacity to do research and consider such matters as management structures." But Treasure agreed that someone with "a record of achievement in the field of exporting" could pass on some vital skills to his students.



markets for these extra vehicles to be allowed to trade freely because the U.K. and Continental manufacturers have accepted a community interest as partners who can not only in cars but can promote the U.K. market. Japanese export sales, they accept, the increasing impact of cohesion—indeed there is evidence that they each took certain countries as their main area of influence when they came to Europe. But Japan also has the most diverse and competitive domestic motor industry in the world. As new manufacturers have come along, the shape of Mitsubishi, Honda, once they bring their cars to Subaru and Daihatsu, and pushed themselves into export markets, great rifts have emerged in the Japanese camp.

The Japanese also have a deep, legitimate fear at the moment that if they go on operating a well-publicised voluntary curb on their U.K. sales, it will lead to other countries asking for similar arrangements and hence to back-door import restrictions. Some of the importers, particularly among the importers, would like to bring the position out into the open and compel the British authorities to bring in formal restrictions rather than to continue operating in a twilight world of hints and nudges. The failure of the talks in Tokyo clearly makes such an over move more probable, although no-one is likely to act until the first quarter sales are over and it is clear how the Japanese are progressing. The British Government does not have a great deal of room for manoeuvre. During 1975 it could find no grounds for proceeding against the Japanese on straight-forward, anti-dumping grounds, and it would therefore have to resort to restrictions on the grounds of damage to a domestic industry—a measure which would invite counter-restrictions.

On the other hand, the U.K. is now receiving greater support from its EEC partners than three years ago. This is partly because they are also coming under pressure from the Japanese in their home and export markets, and partly self-sufficient.

TOP TEN CAR MARKETS

Country	Units	% gain on 1976
U.S.A.	1,050,000	9.4
Australia	208,500	1.1
U.K.	116,514	1.1
Canada	111,381	11.6
Netherlands	103,441	19.9
Belgium	99,069	18.7
Saudi Arabia	74,467	13.3
France	72,124	8.6
West Germany	53,707	
South Africa	49,891	

The U.K. components manufacturers, for example, despite their success throughout the world, have found it difficult to create openings in Japan.

It is against this background that the so-called voluntary agreement on limiting Japanese sales in the U.K. came into being two and a half years ago. So far, this policy has worked reasonably well. Most analysts believe that if there had been no understanding at all, the Japanese share of the British market would have expanded to at least 15 per cent today. But it has come under increasing strain as the problems of British Leyland have continued. The Japanese—not least their British dealers—are fretting

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"I'd planned to have enough. But these days I have to have some help."

When you've once known a reasonable standard and have saved for your retirement, what can you do when inflation makes a mockery of all your careful planning?

You can turn to the Distressed Gentlefolk's Aid Association.

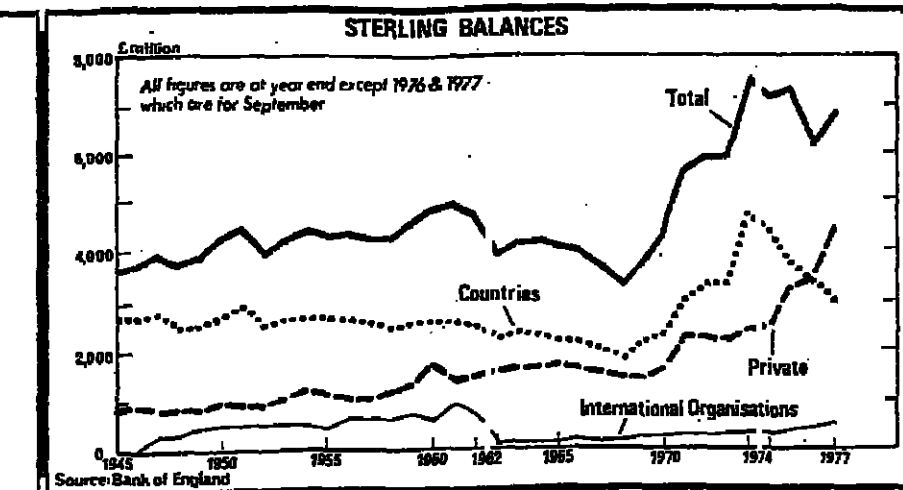
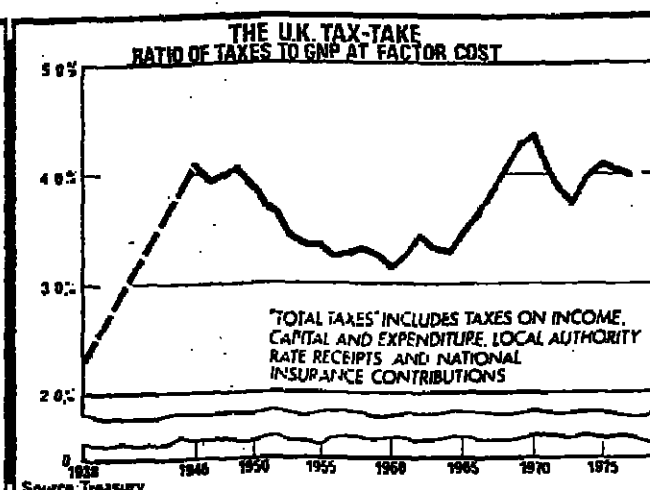
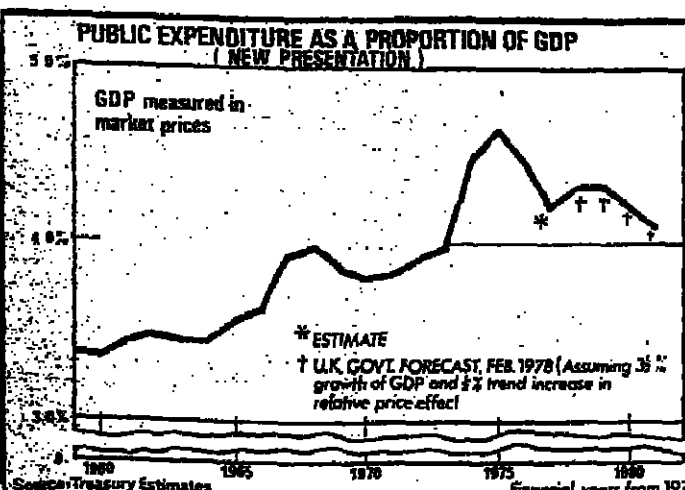
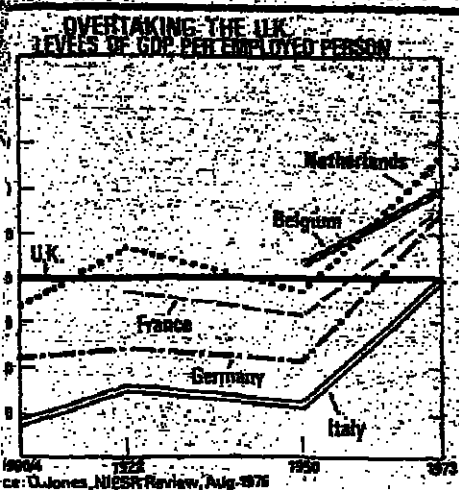
To begin with, the DGAA will understand. Although they have 13 Residential and Nursing Homes, they know that people want to stay in their own homes for as long as they can cope, keeping their friends and the roots they have put down over the years.

So, the DGAA helps with allowances. They send clothes parcels. They remember Birthdays and Christmases. They help with a little extra when a crisis upsets a tiny budget.

Please help the DGAA with a donation. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION
Vicarage Gate House, Vicarage Gate, Kensington, London W8 4AQ
"Help them grow old with dignity"

Observer



ECONOMIC VIEWPOINT

Some facts, figures and fantasies

ONLY I have had opportunity to put together a large number of charts and tables on the British economy. Although of what they reveal is far enough, some is not even beliefs which are often correct are often put. It is therefore worthwhile to share this information with others, even though there is the risk of only a small portion of the material.

consumer power was only slightly higher than the OECD average—indeed these trends in traded goods could not differ much between countries under the Bretton Woods system. The big divergence occurred in the 1970s, when in the eight years to 1977 the British level more than doubled.

A more sophisticated analysis of investment net of retirement in the last National Income Blue Book, suggests a more recent drop in quantity as well as effectiveness of new investment since the middle 1970s, but data are not available for international comparison. It can hardly be a coincidence that while profitability has fallen in most countries, U.K. profitability has experienced a more spectacular downward leap than profitability elsewhere, and has at nearly all stages been bottom of the international league.

Policy errors
If I had to give a brief diagnosis, it would be that deep seated problems, which might have been on the way to gradual alleviation, were aggravated by the Great Inflation of the mid-1970s. Most policy errors, from the effects of non-indexation on taxes, to misguided pay policies that squeezed differentials and priced people out of jobs, the massive subsidy of lame ducks, and the unemployment deterioration itself, sprang from the massive and unexpected nature of that price explosion.

establishment belief that U.K. economic problems were due to a mysterious affliction known as the balance of payments or the "problem of sterling," and that inflation was a political problem to be tackled by controls or government-union diplomacy. The international position of sterling magnified the lags between cause and effect in fiscal and monetary policy, and thus made it easy to create a myth of malign international influence leading to stop-go and low investment, and a misconceived view that devices such as floating rates or sterling balances agreements (welcome in their own right) would allow us a dash for growth the easy way, by expanding "demand."

THE INFLATIONARY RECORD

Consumer Prices	1958 to 1969	1969 to 1977
Average percent increase p.a.	3.3	8.3
OECD*	3.3	8.3
U.K.	3.8	12.6
U.S.	2.1	6.4

UNEMPLOYMENT IN OECD AND U.K.

Unemployment %	1962-73 av.	1973	1974	1975	1976	1977
Main OECD Countries	2.8	3.0	3.3	5.4	5.4	5.6
U.K.	2.4	2.8	2.9	5.1	7.0	8.1

INVESTMENT IN MANUFACTURING 1958-1972*

Investment	1958-1972	1973	1974	1975	1976	1977
U.K.	13.0	100	12.2	145	13.0	190
U.S.	12.2	145	13.0	190	14.4	145
Germany	13.0	190	14.4	145	16.3	163
France	16.3	163	24.6	157		

PUBLIC EXPENDITURE AS A PERCENTAGE OF GDP

	1965-6	1975-6	1978-9 forecast
On goods and services at market prices	21*	26†	23-24
Goods and services at factor cost	24*	30	27
Total public spending at market prices	35†	46	42-43
Total public spending at factor cost	40†	51†	48
Total public spending at factor cost, pre-1977 definition	45†	58†	n.a.
Total including tax allowances	n.a.	70†	n.a.

MAXIMUM MARGINAL TAX RATES

	Earned Income	Investment Income
Max. rate	%	%
Income at which max. rate starts	£	£
Belgium	72 (75.6)	65,975
Denmark	39.6 (63.8)	11,100
France	54	53,375
Germany	56	65,375
Ireland	60	8,630
Italy	58	374,000
Luxembourg	58.4	28,450
Netherlands	72	40,000
U.K.	83	22,821
U.S.	50	27,900
U.S. including California		
State tax	55.5	28,050
Japan	47.5 (83.7)	204,650
Australia	65	19,575

Letters to the Editor

...the basic principle that if a highly industrialised nation is to continue to enjoy a high standard of living, it must only be based upon high technology and high productivity—higher wages flow from the higher productivity.

Letters to the Editor

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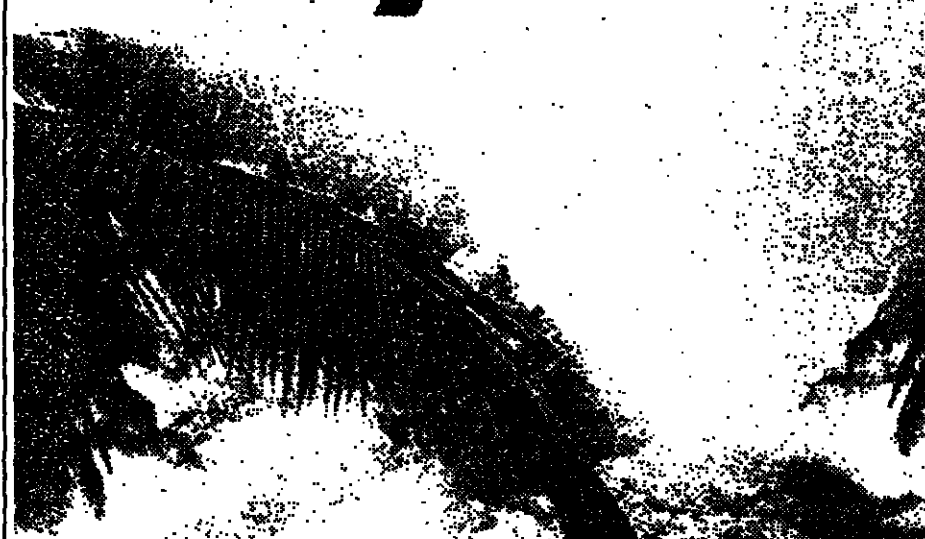
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To-day's Events

British helicopter industry. Debate on Option Mortgage Scheme. OFFICIAL STATISTICS. Central Government financial transactions (including borrowing requirement) (Jan.). Finished steel consumption (Jan.). Stock changes (4th qtr. prov.). Provisional figures of vehicle production (Jan.). COMPANY MEETINGS. Harbour Court Investments, 5 High Timber Street, EC 12. Arthur Guinness, Park Royal Brewery, NW 2.43. Hawkins and Tipson, Grosvenor Hotel, London.

Stay over



Or how to schedule yourself some relaxation

On your way to Asia* or Australia* stopover in Malaysia. No matter how tight your schedule, it's a relaxing and inexpensive break in an arduous journey. For as long as five days, for just £4 per night, you can discover fascinating Kuala Lumpur. Or for a little extra (airfares only) explore the sweeping beaches of Penang, or the swirling, busy, multi-cultural city of Singapore. At the end of it all you settle back relaxed and refreshed in the roomy MAS DC-10-30 for the rest of your flight. And enjoy all over again famous MAS Golden Service. Ask your Travel Agent or MAS office for the exclusive details of our Stopover Holidays.



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London W1.
Tel: 01-629-5891/4.

Secretary finds Dutch courage

From Joan Talboys.
Sir—What a beautiful article on secretaries (January 31). Many a time I have been up to my ears and had to stop everything to make coffee. Yet while doing a few weeks temporary work in a very good place I found the man I was working for quite capable of pouring hot water on to coffee. He was Dutch, are we going wrong somewhere?
Joan Talboys,
4, Arlington Road,
Southgate, N.14.

What it costs to buy petrol

From the General Secretary, The Steel Industry Management Association.
Sir—Your correspondent Mr. M. A. Finlay (February 7) may be interested to know that in April, 1977, an assistant blast furnace manager in the U.K. steelmaking industry had to work for some 25 minutes in order to earn enough to buy one gallon of 4-star petrol, whereas his opposite number in West Germany worked for some 191 minutes, and in France for some 18 minutes.

Good source of recruitment

From the Director, Office Products, IBM United Kingdom.
Sir—Joe Rogaly (January 31) accurately describes a major and growing business problem, but it's wrong to assume that little has been done in the U.K. to investigate and solve it. Many of our customers have addressed this subject very effectively, tackling secretarial costs and the adequate provision of support to manager and professionals. Results have been very convincing; they have contained and in some areas reduced the

The vanishing manager

From Mr. D. Ogilvie.
Sir—Joe Rogaly (January 31) has uncovered a managerial malaise far more widespread than his clear description of the problem and considerably reduces the need for a new London office. I subscribe to Mr. Benja's philosophy, let's have open Government now and quickly!
Freddie Laker,
Gatwick Airport,
Horley, Surrey.

The level of immigration

From Mr. M. Allison, MP.
Sir—The array of statistics deployed by Mr. Joe Rogaly in his article on immigration and the size of the ethnic minority communities (February 1) was hardly a pertinent response to Mrs. Thatcher's observations on this subject. That some—or even a large number—of statistics are available on any question does not mean that serious areas of uncertainty do not exist. Mr. Rogaly himself went on to allude to several in his article. Statistics can also mislead. Mr. Rogaly refers to net new immigration running at an average of 39,000 in the five years to 1976. It might equally be pointed out that NCWP immigration in the years since 1974 has averaged about 49,000 against just over 32,000 in 1973, the first year of operation of the Conservative Act, or that, within Mr. Rogaly's quotation, the total in 1976 was getting on for double that of 1973. Whether this proves anything other than that immigration rules can be applied with varying degrees of severity I would not here venture to speculate.

Furthermore, on the important question of Lord Franks' Report on the feasibility of a register of dependants (Cmd. 8268) there are a wide variety of opinions. But it should be noted that Franks, while commenting on the difficulties of compiling a compulsory register, did not himself dismiss it as either impossible or undesirable. Thus Mr. Rogaly's certainty in this area.

Mrs. Thatcher's initiative was in her own words designed to respond to observable public disquiet over levels of immigration. The level of immigration is one of a number of factors which can impose severe strains on good race relations, and good relations in this area are the common goal of all our major political parties. To ignore such disquiet—whatever one's view of its justification—would be to play into the hands of those political extremists who are now threatening to gain a foothold in many of our great cities.

Michael Allison,
House of Commons, S.W.1.

MAS DC-10-30
TWICE WEEKLY TO
KUALA LUMPUR
(from Kuala Lumpur several times a day to Penang)

Decca expects profit fall

Decca's turnover in consumer electronics is a £250,000 loss pre-tax profit of £250,000. The company's profit is expected to fall by 10% in 1978. The company's profit is expected to fall by 10% in 1978. The company's profit is expected to fall by 10% in 1978.

Capitol EMI down mid-term

Capitol's EMI is down mid-term. The company's profit is expected to fall by 10% in 1978. The company's profit is expected to fall by 10% in 1978. The company's profit is expected to fall by 10% in 1978.

Not probes Fourth City after members complaints

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English & New York improves

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Redfearn chief hits out in bid defence costs

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41 companies wound up

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Allied Breweries

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CU CONSOLIDATES

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Record profits achieved from strong UK base

Statement by the Chairman, Sir Edgar Beck, C.B.E.

Turnover and profits

The profit before tax of the SGB Group for the year ended September 1977 was a record £8,247,000 compared with £5,714,000 in 1976. Turnover increased to nearly £80 million compared with £63 million in 1976.

The majority of the improvement in profit has been achieved from our U.K. operations, partly due to diversification into new fields. Overseas, the volume of business has continued to expand and the total profit is up from £1.485 million to £1.550 million.

Dividend Policy

At the annual general meeting to be held on 14th March 1978, a final dividend of 2.754p per share will be recommended, payable on 11th April 1978, to shareholders on the register on 10th March 1978. This, together with the interim dividend of 2.5p per share paid in October 1977, results in a total dividend of 5.254p per share, the maximum allowed.

It is regarded that the benefits of dividends are, under the Government's present taxation system, shared so inequitably among our shareholders. Some institutional shareholders receiving a cash dividend of £1.000 receive a total income of £1.515, whereas some individual shareholders with the same dividend from the company receive an income of £3.00 only. The taxation of savings at up to 98% would be an inequity even if there was no inflation. With inflation running at its present level, the tax charge is a severe and unfair wealth tax on the capital of individual shareholders. Steps should be taken immediately by the Government to reduce substantially the higher rates of tax, to abolish the investment income surcharge, and to index link capital gains tax. The present taxation system is a positive disincentive on individuals participating in equity investment.

The present limitation on dividends has resulted in the 1977 dividends being covered 3.78 times. If Government restrictions are relaxed and profits justify it, it will be the board's intention to recommend a dividend with a lower cover for 1978.

Reserves

Group reserves are increased by £3,244,000, and in addition deferred tax which is not expected to become payable in the foreseeable future has increased by over £3 million. The shareholders' funds and deferred tax now amount to almost £31 million even on an historical accounting basis.

Consolidated Balance Sheet

The group balance sheet shows a further improved position with total assets increasing by £10 million to £64 million. To obtain this increase, it was only necessary to finance £2.5 million from outside borrowings.

In looking at the individual figures on the consolidated balance sheet there appear to have been significant disproportionate increases in associated companies and in debtors, while materials and equipment have increased by only 10 per cent. In fact, these three sets of figures are not individually comparable from one year to the next, since substantial stocks of materials and equipment shown in the balance sheet in 1976 were sold to associated companies in 1977. This change in trading structure resulted in some £2 million being transferred from materials and equipment to debtors and investment in associated companies, and may be regarded as merely a difference in accounting treatment rather than a significant shift in balance sheet ratios.

Provision for Bad Debts and Overdue Accounts

Although the group results have shown such an encouraging improvement, the construction industry in most parts of the world where we operate is still in a depressed state, and there has again been a distressingly high number of failures of building contractors. The group has had to absorb its share of such failures, although our insurance arrangements, credit sanction, and control procedures have stood up to the strain well.

Inflation Accounts

1977 saw the rejection by the Institute of Chartered Accountants of the Accounting Standards Committee's exposure draft 18 as an obligatory form of presentation for inflation accounts.

This set-back for the movement towards improved accountability reporting is regretted, particularly as its replacement—an interim recommendation by the Accounting Standards Committee—is an insipid and watered-down recommendation which is unlikely to satisfy anyone who is conscious of the seriousness of the situation. It is particularly disappointing that no recommendations on balance sheet presentation are now included, and that the suggested gearing adjustment gives no indication of the real change in the value of shareholders' funds.

In these circumstances, we believe it right to continue to publish current cost accounts, developing the format we introduced last year, a presentation which meets the requirements both of exposure draft 18 and the latest interim recommendation.

Year in Brief	1977	1976
Group turnover	£79,736	£62,919
Group profit after interest and before tax	8,247	5,714
Group profit after tax and minority interests	4,111	2,525
Shareholders' funds including deferred tax	30,955	24,539
Return on shareholders' funds measured by group profit before tax	26.6%	23.3%
Earnings per share measured by group profit before tax	39.9p	27.8p
Earnings per share measured by group profits after tax and minority interests	19.9p	12.3p

While our historic profits were £8.25 million our current cost profit on trading would have been £5.26 million. However the CCA profit for the year, together with the net surplus for the year on the revaluation of assets, would have provided £7,304,000. After transferring £2,733,000 to revaluation reserve to maintain the real value of the group's assets, there would have been £4,571,000 available for distribution, compared with £4,111,000 in the historic accounts. The earnings per share under current cost accounting would have been 26.5p per share (historic 19.9p) and the CCA dividend cover would have been 5.04 (historic 3.78).

Accountancy Pronouncements

There are now thirteen statements of standard accounting practice and five further statements which are expected to become mandatory in the near future. These requirements are placing a significant additional burden on the company and appear to be drafted without appropriate allowance being made for the special circumstances which arise in the construction and hiring sectors of the economy with which we are involved. The difficulties of presenting our business within the rigid classifications set out in the various pronouncements are significant and represent a real risk that the "true and fair view" concept will be sacrificed in favour of a formalised and perhaps inappropriate accounting presentation.

Productivity/Profit Sharing Plan

The company's employee Own As You Earn Scheme has been so successful that the directors had to declare that there were no shares available for the scheme in 1977. As only a very limited number of shares will be available in future years, the directors are now considering a long term productivity/profit sharing plan.

Review of Operations

United Kingdom Companies

Scaffolding (Great Britain) Limited

Scaffolding (Great Britain) Limited, our main operating company in the United Kingdom, had a much improved year. In the building equipment division, results were well maintained with the help of the successful introduction of our new scaffolding system, Cuplock, both for hire and sale.

In the contracts division, the improvements seen last year were further consolidated in the year under review with a significant increase in the volume of work obtained for the petro-chemical and North Sea oil related industries.

The results were a particularly good achievement, as in both divisions the amount written off profits for bad debts during the year was exceptionally high, reflecting the large number of failures in the construction industry at the present time.

Youngman Group Limited

This group of companies had an excellent year with profits double those of last year. W. C. Youngman Limited did exceptionally well with improvement in both volume and margin. Youngman System Building Limited were working throughout most of the year below the full capacity of their factory at Thame, but nevertheless increased their profitability. Youngman Fork Truck Hire Limited had an exceptional year. Their fleet of trucks was further expanded and utilisations were well maintained.

Contractors' Services Group Limited

Our plant hire group of companies made excellent progress with exceptional contributions

from MCC Plant Hire Limited which operates from Cornwall and also from those companies operating in London and the South East.

Peter Cox Limited

The stone-cleaning and restoration division regained its impetus of work after the severe effect of the drought in 1976 when a great deal of business was lost, curtailed or postponed. The internal cleaning of Canterbury Cathedral was a major contract undertaken this year. The damp proofing and woodworm division suffered from pressures on margins and produced lower results in consequence of this.

Sika Contracts Limited

The company had a poor year with pressure on margins and work in the U.K. somewhat patchy geographically. The Scottish region had a particularly bad trading year.

Hire Service Shops Limited

Excellent results were achieved by Hire Service Shops Limited fully justifying the rapid build-up in trading outlets over the past few years, and the considerable funds committed to this company. Return on capital is now high and the company is, as predicted last year, contributing an important part of group profits. Further expansion is now under review consistent with maintaining a sound profit performance.

Overseas Companies

Europe—Building Equipment Europe (Holdings) Limited

There was the expected decline in profits from Europe this year although all companies performed well up to budgeted levels. SSB, our Dutch company, suffered from the continued decline in shipbuilding in Holland and also from a marked reduction of work for Hooigovens, the Dutch steel works. However, supplies for the building industry were well maintained and a creditable result was achieved under the prevailing conditions.

Handep B.V., our small manufacturing company, which produces mobile towers, is making a successful entry into the non-operated plant hire business in Holland and recently the firm of Custers B.V. was acquired which produces hydraulic platforms, a product which is complementary to our existing tower production. Our German branch in Dortmund had a good year with increased profitability.

France—SGB S.A.

This company continued to penetrate the French market and increase its volume of business substantially both in Paris and Marseille, our two operating depots. Profits were, however, reduced by two large bankruptcies—we have now obtained credit insurance in France.

The share of our minority partner, Outinord S.A., was acquired during the year, making the company now a wholly owned subsidiary.

North America—SGB Universal Builders Supply, Inc.

The company had a good year abroad in its activities in both Iran and Saudi Arabia. The home market was still dull but there have recently been signs of a revival and better utilisation of our hire stocks.

South Africa—SGB Building Equipment (Pty.) Limited

Despite difficult trading conditions the company did well to maintain a similar result to last year. The hire shops subsidiary there, although small, doubled its profits in the year, trading out of four locations. Schemes to assist black employees to purchase their own homes and pay for their children's education are being introduced.

Australia—SGB Building Equipment Pty. Limited

The building industry in Australia was bedevilled by strikes, particularly in Melbourne. The operations of our company were severely disrupted and a significant trading loss for the year resulted.

Channel Islands—SGB (Channel Islands) Limited

The company traded satisfactorily during the year. The opportunities for expansion in the islands are limited but a successful entry was made into the business of the hire of refuse skips in Jersey.

Republic of Ireland—Scafco Limited

This company returned to profitability in 1977 and this improvement should be maintained. There are signs of some resurgence in the general construction climate in Ireland, although there are few major projects being undertaken at present.

SGB Export Limited

Direct exports from the U.K. were nearly double those of the previous year and profitability was well maintained, major direct export markets being the Middle East, Scandinavia and West Africa. Our joint ventures in the Gulf and Saudi Arabia continue to be established with increased staff, facilities, and stock. In the Gulf area, Qubeishi SGB, whose main operation is in the United Arab Emirates, increased its business although there is increased local competition and some difficulty is being experienced in collecting money because of cutbacks in Government funds available for building.

In Saudi Arabia, SGB Dabal Limited is now successfully operating in Dammam and Riyadh and SGB Export are developing a joint venture with their agents in Jeddah.

Nationalisation

Proposals have recently been put forward recommending the nationalisation of a substantial portion of the construction industry. In my view, these proposals would have a disastrous effect on our industry which in its present form provides a flexible and effective service to the nation, and is an increasingly important contributor to the balance of payments through its overseas activities. Nationalisation may be appropriate for social service type functions which cannot be made cost effective. However, it would be quite inappropriate for the highly competitive construction industry, which is in the main involved in unique "one off" projects and where there is no shortage of capital or labour to meet the widely varying demands. Apart from other considerations, it would increase enormously the cost to the country of building and civil engineering work, and have a seriously damaging effect on the export performance of the industry.

It is hoped that the public will come out firmly against any form of Government participation in the industry. The only thing the Government needs to do is to establish a long term consistent policy for construction, with a view to eliminating the "stop/go" tactics adopted by successive governments on capital expenditure on construction, cutting out such needless initiatives as Office Development Permits, Industrial Development Certificates, and policy changes such as those which one year encourage people to disperse away from city centres and the next attempt to attract them back.

Staff and Prospects

In 1977 the Group has made a significant step forward in both turnover and profits. This has not been an easy year for the industry and the results have only been achieved through the loyalty and hard work of all our employees, both at home and overseas, and I am sure the shareholders will join me in thanking them once again for their efforts.

In these days of uncertainty, both in the U.K. and abroad, it becomes increasingly difficult to look into the future. There are a number of overseas territories where substantial improvements in our profits could be made by political and economic factors change for the better.

At home, I hope that we have seen the worst of the building recession and that the good results we have had in 1977 will continue, and that 1978 will show further growth. Overall, however, the progress of the group does depend on a more stable and improving world trade in the construction industry.

The good merger guide

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

ONE OF THE City's grouches about merger policy is its unpredictability. Not only is it difficult to predict what attitude the Monopolies and Mergers Commission will take once a deal has been referred to it, but it is virtually impossible to know which proposed merger will be referred to the Commission in the first place.

The Lorrho Dunford and Elliott deal was not referred to the Commission but that between the Fruehauf Corporation and Crane Fruehauf was; Tate and Lyle's bid for Manbre and Garton was not but the proposed merger of the two firms of Jobbers, Smith Bros. and Bisgood Bishop, was.

The reasons for these decisions vary and given the nature of British competition policy there are never going to be any hard and fast rules. Each case which falls within the scope of the Fair Trading Act—that is, those involving assets of £5m. or more or a market share of more than 25 per cent—will be decided on its own merits.

Responsibility

But a new guide to the process of the Fair Trading Act, published by the Office of Fair Trading yesterday, does put some flesh on the vague criteria included in the Act and gives a pretty good idea of the kind of question any company proposing a large merger is likely to be asked.

The Secretary of State for Prices has ultimate responsibility for deciding whether a merger reference should be made but it is the O.F.T. which acts as his advisor in this respect. The O.F.T. investigates all mergers or proposed mergers which look as if they may fall within the scope of the legislation. To do this it has a small Mergers Panel which produces information for the Mergers Panel—a body of civil servants drawn from other Government departments. The Panel in turn advises the Director General who submits a report to the Secretary of Prices.

Some of these, such as the direct effect on competition, are fairly predictable though the booklet makes it clear that even at this stage the O.F.T. wants more than just market share information. But the booklet is most useful when it comes to expanding on those cloudy areas such as the effects on efficiency, employment and the balance of payments.

It makes it clear that employment implications are important, especially if they occur in parts of the country where unemployment is particularly high. While O.F.T. made it plain yesterday that a method evolved for dealing with mergers, such as patterns of employment cannot be taken into account, it is likely that the kind of questions listed in the booklet will still have to be answered.

At present the whole question of competition policy is under review and it may be that within the next three years new legislation is introduced. But the booklet makes it clear that even such a change is made it is likely that the kind of questions listed in the booklet will still have to be answered.

Share stakes
Wills Faber: Mr. J. D. Prentice 74,314 shares and now holds 25,000 Ordinary shares (33.5 per cent.).
Rentokil Group: Mr. R. Bulgin, a director, has sold 69,012 shares.
Associated Sprayers: Mr. R. W. D. Beney, a recently appointed director, has acquired 45,000 shares bringing his total interest to 791,573 (21.8 per cent.).
Armour Trust: Mr. P. R. Bond, a director, has purchased 23,000 of 1,388,198 Ordinary shares now represents 5.09 per cent. of the Ordinary shares and now holds 1,365,198 (5.18 per cent.).
Robert Kitchell Taylor and Company: The London Trust Company has purchased a further 100,000 Ordinary shares and now holds 400,000 (11.31 per cent.).
Aaronsen Bros. Witan Investment Company has disposed of 1,699,184 shares (24.47 per cent.).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Anglo-American Sees.	2	April 28	1.64	3	2.64
Decca	3.3	April 28	3	6.3	10.63
Drayton Premier	5.3	April 4	4.6	9.9	6
English and N.Y. Tst.	1.55	April 19	1.25	2.8	2.15
English Assoc.	4.88	April 19	4.88	9.76	18.88
Hill and Mallinson	0.9	April 10	0.97	1.87	1.83
Palabro Main	1.56	Mar. 21	2.5	4.06	70
Trust Houses Fort.	3.96	April 7	5.8	9.76	7.35
Western Selection	1.23	April 3	1.11	2.34	1.98
Wiggins Construct.	0.77	April 21	0.74	1.51	1.54

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents.

BIDS AND DEALS

A. Monk in £0.7m. Welsh purchase

A. Monk, the Midlands civil engineering company which is resisting attempts by St. Piran (which holds 20 per cent. of the shares) to obtain a seat on the Board, has just bought a group of three Welsh companies.

Monk is paying £678,211 in cash for three private companies owned by Mr. Gwyn Davies which operate in West Glamorgan. The terms are just under £500,000 on completion, £94,000 for D.M.J., one of the companies in the group, dependent on its recouping certain sums from clients, and £184,500 with respect to Gwyn Davies, another of the companies if and when it obtains planning permission for land which it owns.

Pre-tax profits of the three companies for the year to May were £168,810 and net assets at that date were said to be £309,000. Interim pre-tax profits for Monk in the six months to August were virtually double at £367,000 and for the last full year they reached £2.2m.

ASSAM INV. MERGER APPROVED

The directors of Assam Investments announce that pursuant to the provisions of the Indian Foreign Exchange Regulation Act a scheme of merger has been approved by the high courts of Calcutta and Assam.

Under the scheme, the Indian businesses of the company's six U.K. trading subsidiaries will be vested in a new Indian subsidiary, Assam Company (India), which will become the sole operating subsidiary. 26 per cent. of whose capital will be offered to Indian residents. Certain formalities await completion, they state.

Directors say that for 1977 a repetition of the exceptional 1976 net profit, a record £1.9m., cannot be expected. Nevertheless present indications are that results will be satisfactory.

But with some 50 per cent. of the crop still to be sold they feel it is not practicable to make a more realistic estimate of profit and they consider it prudent to continue the practice of not declaring an interim dividend. The single 1976 payment was 7p net per £1 share.

BSG ACQUIRES WEATHERSHIELDS

BSG International has bought Weatherfields, a private company based in Birmingham, for £341,500.

The consideration has been satisfied by the issue of 2,712,768 New Ordinary shares of 10p each in BSG. The new shares have been placed by Samuel Montagu and Co. in conjunction with Sheppard and Chase and Smith Keen Cutler, with the exception of 116,894 shares which have been retained by the vendors. The new shares have been admitted to the Official List.

The profit before taxation of Weatherfields for the year ended September 30, 1977, amounted to £244,135 and the book value of net tangible assets at that date was £495,481, or £301,481 if deferred taxation of £193,996 is included.

ASSOCIATES DEALS

L. Messel and Co. bought 5,000 Ladbroke Group Warrants at 94p on behalf of an associate of Ladbroke.
Hill Samuel bought 40,000 Thomas Tilling at 103p for a discretionary investment client.
On February 2, Barings Bros. purchased 20,000 Ordinary shares in McKee Bros. at 90p for discretionary investment clients.
On February 3, Bearley Bros. purchased 20,000 shares.

THE DAIEI, INC.

(KABUSHIKI KAISHA DAIEI)
6% CONVERTIBLE DEBENTURES
DUE AUGUST 31, 1991
Pursuant to Section 3.04 of the Indenture dated as of June 30, 1976 under which the above Debentures were issued, notice is hereby given as follows:
1. On February 3, 1978, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of February 28, 1978 in Japan (February 27 in New York City, London and Luxembourg), at the rate of 1 share for each 10 shares held.
2. Accordingly, the conversion price of the Debentures will be adjusted effective immediately after such record date.
3. Debentureholders or holders of Receipts of Deposit desiring to become shareholders of record entitled to receive such free distribution of shares must exercise their conversion right by depositing their Debentures (or Receipts of Deposit) together with a Debentureholder's Notice of conversion, with The Bank of Tokyo Trust Company, 100 Broadway, New York, New York as Custodian, or any of the Custodian's agents, not later than the close of business on February 27, 1978. The Custodian's agents are The Bank of Tokyo Trust Company, London; The Tokai Bank, Limited, Frankfurt/Main; The Sanwa Bank, Limited, London; Fuji Bank (Switzerland) A.G., Zurich; The Bank of Tokyo, Ltd., Paris, Brussels and Milan; The Bank of Tokyo (Holland) N.V., Amsterdam; and Kredietbank S.A., Luxembourg, Luxembourg.
THE DAIEI, INC.

Notice of Redemption

To the Holders of

KINGDOM OF DENMARK

9% Twelve Year External Loan Bonds of 1970 due March 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected through operation of the Sinking Fund for redemption on March 1, 1978 at the principal amount thereof together with accrued interest to the date fixed for redemption \$2,000,000 principal amount of said Bonds bearing the following distinctive serial numbers:

COUPON BONDS OF \$1,000 EACH

M	6	1207	2575	3668	5126	6397	7633	8728	9694	10778	12528	13457	14479	15395	16788	17794	18894
1	24	1312	2581	3876	5171	6430	7684	8728	9694	10778	12528	13457	14479	15395	16788	17794	18894
2	27	1326	2591	3886	5181	6440	7694	8738	9704	10788	12538	13467	14489	15405	16798	17804	18904
3	31	1335	2602	3900	5193	6453	7698	8756	9718	10798	12549	13477	14499	15421	16797	17814	18914
4	35	1345	2612	3910	5203	6463	7708	8766	9728	10808	12559	13487	14511	15433	16800	17824	18924
5	38	1354	2622	3920	5213	6473	7718	8776	9738	10818	12569	13497	14521	15445	16812	17834	18934
6	42	1364	2632	3930	5223	6483	7728	8786	9748	10828	12579	13507	14531	15457	16824	17844	18944
7	46	1374	2642	3940	5233	6493	7738	8796	9758	10838	12589	13517	14541	15469	16836	17854	18954
8	50	1384	2652	3950	5243	6503	7748	8806	9768	10848	12599	13527	14551	15481	16848	17864	18964
9	54	1394	2662	3960	5253	6513	7758	8816	9778	10858	12609	13537	14561	15493	16858	17874	18974
10	58	1404	2672	3970	5263	6523	7768	8826	9788	10868	12619	13547	14571	15505	16868	17884	18984
11	62	1414	2682	3980	5273	6533	7778	8836	9798	10878	12629	13557	14581	15517	16878	17894	18994
12	66	1424	2692	3990	5283	6543	7788	8846	9808	10888	12639	13567	14591	15529	16888	17904	19004
13	70	1434	2702	4000	5293	6553	7798	8856	9818	10898	12649	13577	14601	15541	16898	17914	19014
14	74	1444	2712	4010	5303	6563	7808	8866	9828	10908	12659	13587	14611	15553	16908	17924	19024
15	78	1454	2722	4020	5313	6573	7818	8876	9838	10918	12669	13597	14621	15565	16918	17934	19034
16	82	1464	2732	4030	5323	6583	7828	8886	9848	10928	12679	13607	14631	15577	16928	17944	19044
17	86	1474	2742	4040	5333	6593	7838	8896	9858	10938	12689	13617	14641	15589	16938	17954	19054
18	90	1484	2752	4050	5343	6603	7848	8906	9868	10948	12699	13627	14651	15601	16948	17964	19064
19	94	1494	2762	4060	5353	6613	7858	8916	9878	10958	12709	13637	14661	15613	16958	17974	19074
20	98	1504	2772	4070	5363	6623	7868	8926	9888	10968	12719	13647	14671	15625	16968	17984	19084
21	102	1514	2782	4080	5373	6633	7878	8936	9898	10978	12729	13657	14681	15637	16978	17994	19094
22	106	1524	2792	4090	5383	6643	7888	8946	9908	10988	12739	13667	14691	15649	16988	18004	19104
23	110	1534	2802	4100	5393	6653	7898	8956	9918	10998	12749	13677	14701	15661	16998	18014	19114
24	114	1544	2812	4110	5403	6663	7908	8966	9928	11008	12759	13687	14711	15673	17008	18024	19124
25	118	1554	2822	4120	5413	6673	7918	8976	9938	11018	12769	13697	14721	15685	17018	18034	19134
26	122	1564	2832	4130	5423	6683	7928	8986	9948	11028	12779	13707	14731	15697	17028	18044	19144
27	126	1574	2842	4140	5433	6693	7938	8996	9958	11038	12789	13717	14741	15709	17038	18054	19154
28	130	1584	2852	4150	5443	6703	7948	9006	9968	11048	12799	13727	14751	15721	17048	18064	19164
29	134	1594	2862	4160	5453	6713	7958	9016	9978	11058	12809	13737	14761	15733	17058	18074	19174
30	138	1604	2872	4170	5463	6723	7968	9026	9988	11068	12819	13747	14771	15745	17068	18084	19184
31	142	1614	2882	4180	5473	6733	7978	9036	9998	11078	12829	13757	14781	15757	17078	18094	19194
32	146	1624	2892	4190	5483	6743	7988	9046	10008	11088	12839	13767	14791	15769	17088	18104	19204
33	150	1634	2902	4200	5493	6753	7998	9056	10018	11098	12849	13777	14801	15781	17098	18114	19214
34	154	1644	2912	4210	5503	6763	8008	9066	10028	11108	12859	13787	14811	15793	17108	18124	19224
35	158	1654	2922	4220	5513	6773	8018	9076	10038	11118	12869	13797	14821	15805	17118	18134	19234
36	162	1664	2932	4230	5523	6783	8028	9086	10048	11128	12879	13807	14831	15817	17128	18144	19244
37	166	1674	2942	4240	5533	6793	8038	9096	10058	11138	12889	13817	14841	15829	17138	18154	19254
38	170	1684	2952	4250	5543	6803	8048	9106	10068	11148	12899	13827	14851	15841	17148	18164	19264
39	174	1694	2962	4260	5553	6813	8058	9116	10078	11158	12909	13837	14861	15853	17158	18174	19274
40	178	1704	2972	4270	5563	6823	8068	9126	10088	11168	12919	13847	14871	15865	17168	18184	19284
41	182	1714	2982	4280	5573	6833	8078	9136	10098	11178	12929	13857	14881	15877	17178	18194	19294
42	186	1724	2992	4290	5583	6843	8088	9146	10108	11188	12939	13867	14891	15889	17188	18204	19304
43	190	1734	3002	4300	5593	6853	8098	9156	10118	11198	12949	13877	14901	15901	17198	18214	19314
44	194	1744	3012	4310	5603	6863	8108	9166	10128	11208	12959	13887	14911	15913	17208	18224	19324
45	198	1754	3022	4320	5613	6873	8118	9176	10138	11218	12969	13897	14921	15925	17218	18234	19334
46	202	1764	3032	4330	5623	6883	8128	9186	10148	11228	12979	13907	14931	15937	17228	18244	19344
47	206	1774	3042	4340	5633	6893	8138	9196	10158	11238	12989	13917	14941	15949	17238	18254	19354
48	210	1784	3052	4350	5643	6903	8148	9206	10168	11248	12999	13927	14951	15961	17248	18264	19364
49	214	1794	3062	4360	5653	6913	8158	9216	10178	11258	13009	13937	14961	15973	17258	18274	19374
50	218	1804	3072	4370	5663	6923	8168	9226	10188	11268	13019	13947	14971	15985	17268	18284	19384
51	222	1814	3082	4380	5673	6933	8178	9236	10198	11278	13029	13957	14981	15997	17278	18294	19394
52	226	1824	3092	4390	5683	6943	8188	9246	10208	11288	13039	13967	14991	16009	17288	18304	19404
53	230	1834	3102	4400	5693	6953	8198	9256	10218	11298	13049	13977	15001	16021	17298	18314	19414
54	234	1844	3112	4410	5703	6963	8208	9266	10228	11308	13059	13987	15011	16033	17308	18324	19424
55	238	1854	3122	4420	5713	6973	8218	9276	10238	11318	13069	13997	15021	16045	17318	18334	19434
56	242	1864	3132	4430	5723	6983	8228	9286	10248	11328	13079	14007	15031	16057	17328	18344	19444
57	246	1874	3142	4440	5733	6993	8238	9296	10258	11338	13089	14017	15041	16069	17338	18354	19454
58	250	1884	3152	4450	5743	7003	8248	9306	10268	11348	13099	14027	15051	16081	17348	18364	19464
59	254	1894	3162	4460	5753	7013	8258	9316	10278	11358	13109	14037	15061	16093	17358	18374	19474
60	258	1904	3172	4470	5763	7023	8268	9326	10288	11368	13119	14047	15071	16105	17368	18384	19484
61	262	1914	3182	4480	5773	7033	8278	9336	10298	11378	13129	14057	15081	16117	17378	18394	19494
62	266	1924	3192	4490	5783	7043	8288	9346	10308	11388	13139	14067	15091	16129	17388	18404	19504
63	270	1934	3202	4500	5793	7053	8298	9356	10318	11398	13149	14077	15101	16141	17398	18414	19514
64	274	1944	3212	4510	5803	7063	8308	9366	10328	11408	13159	14087	15111	16153	17408	18424	19524
65	278	1954	3222	4520	5813	7073	8318	9376	10338	11418	13169	14097	15121	16165	17418	18434	19534
66	282	1964	3232	4530	5823	7083	8328	9386	10348	11428	13179	14107	15131	16177	17428	18444	19544
67	286	1974	3242	4540	5833	7093	8338	9396	10358	11438	13189	14117	15141	16189	17438	18454	19554
68	290	1984	3252	4550	5843	7103	8348	9406	10368	11448	13199	14127	15151	16201	17448	18464	19564
69	294	1994	3262	4560	5853	7113	8358	9416	10378	11458	13209	14137	15161	16213	17458	18474	19574
70	298	2004	3272	4570	5863	7123	8368	9426	10388	11468	13219	14147	15171	16225	17468	18484	19584
71	302	2014	3282	4580	5873	7133	8378	9436	10398	11478	13229	14157	15181	16237	17478	18494	19594
72	306	2024	3292	4590	5883	7143											

Palabora has a leaner year

BY JENNETH MARSTON, MINING EDITOR

YEAR'S fall in copper prices, inevitably, made its mark on the earnings of the Rio Palabora Mining Co. Ltd. Net profits came out at £1.1m, compared with £1.2m in 1977. A final quarterly dividend of 15 cents (8.9p) makes the year of 45 cents per share for 1977.

7 cents from 11 cents, reports our Salisbury correspondent. Operating profits from gold and emeralds increased by 32 per cent, thus cushioning the effects of the 37 per cent fall in profits of the 1977 year. The company's nickel operation which suffered from the weakness of world nickel markets. The latter has cut its price to only 8 cents from 20 cents.

Earnings rise at Cominco

THE DIVERSIFIED Canadian metals and minerals group, Cominco, has reported a 51 per cent rise in net earnings for 1977, reports our Toronto correspondent. Net profits were \$24.2m, compared with \$15.9m in 1976. Although sales were 5 per cent up last year, operating profit and investment income slipped 11 per cent to \$24.2m.

T. NORSEMAN D. DOES WELL

THE Central-Norseman Co. Ltd. has reported a 39 per cent rise in net profit for 1977, reports our London correspondent. The company's net profit for the year was £1.1m, compared with £0.8m in 1976.

BRUNSWICK LY HOPES

URGENT testing of the Brunswick Lyne potential in New Brunswick, Canada, is expected to lead to a decision on whether to proceed with the project, reports our Toronto correspondent.

MINING BRIEFS

SWEDEN - The General Mining group's South African subsidiary, General Mining, has reported a 50 per cent increase in net profit for 1977, reports our London correspondent.

Heavier loss by Clifton Investments

Clifton Investments incurred an increased deficit of £11,350, reports our London correspondent. The company's net loss for 1977 was £11,350, compared with £1,150 in 1976.

Drayton Premier up

A final dividend of 5.3p net per share for 1977 lifts the total at Drayton Premier Investment Trust from 6p to 6.7p and revenue emerged higher at 52.1m, against 51.8m, after tax took £1.47m, compared with £1.5m.

Stewart Wrightson

The Stewart Wrightson international insurance broking group has formed a new subsidiary company, Stewart Wrightson Energy Resources, to bring all its oil, gas, petrochemical and energy related insurance services under one roof.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

CII Honeywell Bull rise

BY DAVID WHITE

THE FRANCO-US computer group, CII Honeywell Bull, today announced increases in turnover, profits and new orders which, it said, set it in good stead to dispense with injections of French Government aid, as planned, in 1980.

In the first full calendar year since France's CII and the international Honeywell Bull were joined together in 1976, net profit was Frs.145m. (about \$23.4m.), a 60 per cent increase on the joint figure for the previous year.

Including the results of the two groups for the first half year and consolidated results for the second half, preliminary turnover figures showed a 14 per cent increase to Frs.3,790m. (\$775m.). Slightly more than half of this came from outside France, despite a stronger tendency in orders from the home market, according to the group's chairman, M. Jean-Pierre Brule.

M. Brule said 1977's results were "good, what we were

expecting," and noted that the group was well above the market average. Above all, new orders had increased by 33 per cent compared with the joint figure for CII and Honeywell Bull in 1976, when orders were reported as totalling Frs.3,400m.

But despite the reasonably optimistic tone of M. Brule's Press conference, the group faces a tough job to stay in profit this year, because of a sharp drop in the amount of state aid due to be pumped into it.

Under a four-year programme ending in 1980, CII Honeywell Bull is receiving Frs.1.2bn. in subsidies from the state, which is a shareholder in the majority partner, Compagnies Machines Bull.

Of this, Frs.500m. was ploughed in between March 1976, and March 1977, and Frs.450m. is coming in the Government's 1977-78 financial year.

In the 12 months from this March, state subsidies are due to drop to Frs.150m., and in the

following year to Frs.100m., after which they are due to stop.

This programme, however, depends somewhat on the outcome of the March elections, CII Honeywell Bull being on the list of companies which the French Left wants to nationalise.

The group's capital expenditures in 1977 totalled Frs.750m., and some Frs.450m. was spent on research and development according to company officials.

M. Brule said the group had come to the end of staff reductions—began in 1976 and continued at a slower pace last year, when it cut back on personnel replacements—and would begin to increase its workforce again to cater for the expected expansion of activity this year.

The group's turnover remained equally divided between equipment sales and rentals and services. The increase in the order book would mean a further increase in turnover this year, M. Brule said, declining to make any more detailed forecast for the year.

PARIS, Feb. 8.

AMERICAN NEWS

New crude supplier for Corco

By Our Own Correspondent

NEW YORK, Feb. 8

COMMONWEALTH Oil Refining Company (Corco) which is still seeking an alternative to filing for bankruptcy, has secured a replacement for Ashland Oil as a supplier of crude oil for its Puerto Rican refineries.

Corco announced today that subsidiaries of Coastal States Gas, the Houston-based company, had agreed to supply the required amounts of crude oil, naptha and condensate to keep the refineries running for six months from today.

Keeping alive the possibility of its filing for protection under Chapter 11 of the Federal bankruptcy laws, Corco stressed that the agreement with Coastal States would be an important step in ensuring that the company would maintain its operations through any bankruptcy process.

Ashland had been supplying Corco with crude and other oil products for most of last year under a series of agreements which eventually expired on February 3. Coincidentally, it had been negotiating with Corco and its banks on taking control of the troubled refinery but announced a fortnight ago that no agreement had been reached acceptable to all involved.

Under the new supply arrangement Corco will lease to the Coastal States Gas subsidiary dock facilities, tank storage and pipelines at its Guayama Bay refinery in Puerto Rico.

Marshall Field in talks on take-overs

CHICAGO, Feb. 8

MARSHALL FIELD, the retail group, which earlier today announced plans to expand into the south, and is the subject of a takeover bid by Carter Hawley Hale, is considering acquisitions as a means of becoming a national concern, said Mr. Angelo R. Arena, president and chief executive officer.

Mr. Arena said Marshall Field is "involved in some conversations with others." He declined to identify any of the acquisition possibilities.

He said the company was not currently negotiating with B. Altman about acquiring the New York retailer, though the two companies have had some talks.

The company stressed that Marshall Field has been considering acquisitions for some time and that its present talks are not in response to the bid by Carter Hawley Hale.

Mr. Arena said the company's plans for its southern division currently envisaged five stores in all to be opened in the next five years.

The company is considering stores in such cities as Dallas, Atlanta, New Orleans, Tulsa and Kansas City. It has plans in train for a Houston store.

Marshall Field is also considering expansion into other geographical areas.

Agencies

Higher broadcasting costs slow advance at CBS

BY OUR OWN CORRESPONDENT

NEW YORK, Feb. 8

CBS INC., the world's largest broadcasting company, returned what it called a "modest" 11 per cent increase in profits last year which was, nevertheless, a record for the company.

CBS implied in its announcement today that net income would have been better but for a "significant" increase in the programme costs of its broadcasting division and a weakness in spot advertising rates which affected the earnings of its owned and operated local television stations.

At \$2,776bn. CBS' sales were 34 per cent up on 1976 and returned a net income of \$182m. or \$8.50 per share compared with \$163.9m. or \$5.75. Fourth quarter net income was \$50.36m.,

or \$1.82 a share, compared with \$47.8m. or \$1.68 per share. Sales for the quarter were \$682.5m.

A Bill making major changes in Federal regulation of the cable television industry is being prepared for introduction this spring by the Senate sub-committee on communications, Reuter reports from Washington. The cable TV industry has complained for several years that its expansion is being held back by restrictive Federal regulations.

At 36 per cent up on the previous year and totalled \$832.8m. CBS did not confirm analysts' speculation that profits from its broadcasting division may have

been as much as \$10m. down in 1976, but it did stress that its other divisions, including records and publishing, had had a record year.

However, since the CBS network accounts for more than 35 per cent of the company's revenues, its flat performance is the factor which has preoccupied investors and brought the share price near a two-year low.

CBS topped the network ratings for more than 20 years until ABC assumed dominance in 1976 since when CBS has been struggling to avoid third place behind NBC.

This has undoubtedly affected the company's attractiveness to advertisers, and limited the charges it can make for spot advertising.

Standard Brands sales peak

By Terry Byland

SALES for 1977 rose by 17 per cent to a record \$2.1bn., reports Standard Brands Inc., manufacturer of food and consumer products, wines and alcoholic beverages. But the decline of its flat earnings offset the gain in sales.

Earnings for the final quarter maintained the upward record in the third quarter, after slight declines in the first two. Net income for the four quarters was out 28 per cent higher than the comparable period at \$20.6m. Share earnings moved up from 24 cents to 73 cents. Sales, including acquisitions advanced from \$906.4m. to \$2,100m.

Mr. Johnson told New York analysts two months ago that he expected Standard Brands upward momentum to continue into 1978, commenting that its products were the keystone of the group's growth plan.

Last year saw Standard Brands acquire a significant extension of European operations with purchases for around \$15m. The 44 per cent stake then standing in Van Nieuwe, the Dutch coffee, tea, tobacco and chocolate company.

The U.S. company said at a time of the acquisition that it intended to support Van Nieuwe in the area of financing an exchange of expertise.

Another purchase completed last year was that of Pina Foods Inc. and S. and W. Food Products from France. Standard put a value of \$30 on this deal.

Mr. Johnson, who became chief executive only in 1976, launched Standard on a policy designed to shift the group's trading emphasis away from commodities and into consumer products.

In 1976, consumer products contributed only 54 per cent of profits and 78 per cent of sales. But this balance has been shifted considerably since the By 1976, consumer products were 76 per cent of profits and 71 per cent of sales.

Earnings in 1976 benefited from the high price of sugar which made Standard's high fructose corn syrups highly competitive and in great demand. But this benefit disappeared as sugar prices fell away from a Standard's earnings for the first quarter of last year showed a 16 per cent drop.

Eaton buys up Kenway

CLEVELAND, Feb. 8

EATON CORPORATION has acquired Kenway of Bountiful, Utah, for cash and conversion of Kenway shares into Eaton common shares. Value of the transaction was not disclosed.

Kenway, which has 1977 net income of \$1.5m. and net income of \$1.5m. for the fiscal year ended April 30, designs and makes automatic storage and retrieval systems. Eaton subsidiary, Reuter.

Migros above expectations

By John Wicks

ZURICH, Feb. 8

LAST YEAR was an excellent one for the Swiss retail and services group, Migros, according to executive chairman Pierre Arnold, and surpassed expectations. Turnover rose by 5 per cent to SwFr.2,330m. (\$3,780m.), including sales by 12 affiliated cooperatives up by the same percentage to SwFr.2,370m.

The rise in retail sales occurred despite an increase in the chain's overall prices of only 0.9 per cent, and compared with an improvement by 3.3 per cent for the Swiss retail trade as a whole.

● Migros Bank, the commercial bank affiliated to Switzerland's retail-based Migros Co-operative, showed a 4.7 per cent growth in total assets for 1977 to SwFr.1,680m. (\$888m.). Deposits by the public increased by some SwFr.72m. over the year, while on the other side of the balance sheet, loans outstanding were up by SwFr.63.5m. An unchanged 5 per cent dividend is to be paid from net profits of SwFr.1.1m. (\$3.6m.), which compare with the previous year's SwFr.6.5m.

Zurich Insurance sells Gerling stake

ONE HALF of the Zurich Insurance Company's stake in the German Gerling concern is to be sold to the German holding company, Versicherungs-Holding der Deutschen Industrie GmbH. This transaction will permit the fusion of Zurich Insurance's 25.1 per cent shareholding and the 25.9 per cent stake of the German holding company in the Gerling Insurance Group.

Following the failure of the Cologne bank I. D. Herstatt in December, 1974, Dr. Hans Gerling—who had held an 84 per cent share in the bank—had to sell 51 per cent of the Gerling Insurance concern, Zurich Insurance and Versicherungs-Holding, a consortium of some 60 German industrialists, acquired this majority and agreed to work within the framework of a co-operation agreement.

The divestment of half the Zurich shareholding has been necessary in view of German cartel law, since the Swiss company would otherwise have clearly dominated the joint 51 per cent capital share, control of this majority holding also being tantamount to control of the Gerling group as a whole.

Zurich Insurance, which sees the laying together of its stake with that of Versicherungs-Holding as a further step in their co-operation will remain the biggest single shareholder in the 51 per cent combined share packet.

EUROBONDS

Fall in sterling sector

BY FRANCIS GHILE

THE PRICES of sterling denominated bonds fell yesterday morning, hit by the combined forces of the weakness of the currency, the rise in short-term Euro sterling interest rates and the figures published on Tuesday which showed that the money supply was expanding faster than planned. Prices recovered in the afternoon after the result of the miners' vote became known.

The TNA bond was priced at par, as expected, but well ahead of the planned date. More than the rise in Euro sterling rates, the managers, Blyth Eastmann, may have feared the possible announcement of a new sterling issue.

Trading in the dollar sector was quiet, with prices essentially unchanged. The European Coal and Steel Community is making a \$20m. private placement of 12-year bonds with an 8.5 per cent coupon and an issue price of 99 per cent. Joint lead managers are Societe Generale de Banque and Salomon Brothers.

Eurex in link with Telekurs

BY MARY CAMPBELL

EUREX and Telekurs have made an agreement whereby customers of either will be able to get both services through the same terminal. Eurex is the computerised trading system for Eurobonds being developed in Luxembourg, and Telekurs is a securities information system owned by Swiss banks.

The decision by Eurex was taken at a Board meeting held in London.

Eurex is currently in the process of a week-long presentation of the system to London dealers.

Loss provision hits Gotabanken

BY WILLIAM DUFFLORCE

STOCKHOLM, Feb. 8

PRELIMINARY FIGURES from 1977 from Gotabanken, Sweden's fourth largest commercial bank with headquarters in Gothenburg, show a profit decline of 10.6 per cent, or Kr.13.2m. (\$2.8m.). The setback—against the general trend for Swedish banks—is due entirely to the 1976 allocation of Kr.35m. which the bank has had to make to cover the loss from irregular currency speculation by one of its officials.

The bank reports an operating profit of Kr.111m. (\$23.9m.). The group as a whole, including the factoring and leasing companies, shows a 2.8 per cent drop in

earnings to Kr.139m. The consolidated balance sheet at the end of the year totalled Kr.15,680m. Despite the setback in earnings the Board proposes to pay 10.6 per cent, or Kr.13.2m. (\$2.8m.). The setback—against the general trend for Swedish banks—is due entirely to the 1976 allocation of Kr.35m. which the bank has had to make to cover the loss from irregular currency speculation by one of its officials.

The bank's currency loss provoked a warning from the bank inspectorate to the Swedish banks to tighten control of their currency transactions.

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SECURITIES INDUSTRY

Mergers fail to halt slide in profits

BY JOHN WYLES IN NEW YORK

WHILE PROFESSIONALLY obsessed with corporate America's "bottom line," the U.S. securities industry is notably reticent about its own profitability. The vast majority of companies are privately owned and will not, therefore, make public their balance sheets, but all the indications are that the industry as a whole suffered a very poor year in 1977 and that many of its members are now desperately short of capital and anxiously trying to cut their costs.

On the basis of recent results, few of the publicly held companies would be recommended by their own analysts as worthwhile short-term investments. Merrill Lynch and Company, the world's largest securities firm, returned a net income which was 59 per cent down on the previous year; First Boston's net profits plummeted by 83 per cent; Donaldson Lufkin Jenrette's by 92 per cent, while Shearson Hayden Stone was 82 per cent down at its half year.

Taking the industry as a whole, Value Line, the investor's guide, estimates that the 380-odd members of the New York Stock Exchange which deal with the public have suffered a drop in pre-tax profits "in excess of 50 per cent." The industry's own organization, the Securities Industry Association, reckoned

that in the first nine months of last year average quarterly profits had tumbled to \$109m. from \$246m. the year before.

The decline is not, of course, new to the industry. The after tax return on equity, for example, has ranged from a negative figure in 1973 to a high of 18.5 per cent in 1976, and then down to 7.2 per cent in the first nine months of last year.

The 1977 figures highlight the fact that a serious problem for the industry is stagnating revenues, for which the decline in the average share price traded last year from \$30 to around \$24 is only partially responsible. With costs increasing at between 7 and 11 per cent, the need to expand the revenue base was a powerful factor in the merger mania which gripped Wall Street last year and which will continue well into 1978.

Although the industry as a whole has reduced its dependence on commission revenues from 63 per cent of total income in 1967 to 44 per cent last year, diversification through merger is not yet generating sufficient extra revenue to compensate for losses last year on companies' holdings of equities and fixed income securities, trading deficits and, finally, for the savagely reduced income from institutional business.

The full impact of the abolition on May 1, 1975, of fixed commission charges is only now starting to become evident. The industry's scramble to replace the unyielding charge has brought all sorts of new brokerage services into being, but more specifically discounted commission charges appear likely to have cost the industry up to \$1bn. in lost revenue.

The result for several companies has been death by no-slow starvation. More than one of the purely institutional brokerage firms have ceased doing business in the last two and a half years, while a number of research "boutiques" servicing institutions have been toppled or have merged with larger and more diversified houses.

Discounts in institutional business have in some cases more than halved charges levied on the pre-May 1975, scale, and there are now signs that contemplation of their most recent balance-sheets is prompting some companies to say "thus far and no further." In the past ten days, three events have underscored the seriousness of the situation and the possible emergence of a new mood on Wall Street.

Ten days ago, Weeden and Co. staggered many on Wall Street

by announcing that it would almost certainly abandon its role as a "third market" maker because losses were reaching unacceptable levels. An almost 50 per cent drop in share price, age, world, Weeden has for many years traded New York Stock Exchange listed stocks over the counter. Institutional business was its main prop, but the heavy discounting by other brokerage houses has undermined the modus operandi of the third market maker which is based on trading at a sufficient spread to guarantee income and hedge against risk. Discounting has forced Weeden to narrow its spread to the extent that, says the company, "the spread relative to the risks of doing business have become very narrow and unprofitable."

Although there is no overt connection, Weeden's capitulation may well have influenced Donaldson Lufkin Jenrette's intriguing announcement last Friday that its charges to institutions would be raised by a minimum of 14 per cent from next week. Donaldson's discounts had reached 48 per cent of the old fixed schedules and the company has decided that not only must it stem the tide, but also that discounts on trades where it acts as a principle must be brought to an end because the risks have become unacceptable.

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Opinion on Wall Street generally sceptical as to whether Donaldson can hold the line on its new charges unless the industry merger pace will lose little of its momentum, since there is little prospect of a substantial improvement in the stock market. Income market this year securities firms must improve their profits in order to expand their capital bases sufficiently to stay in the financial superleague in which Merrill Lynch leads the field.

While the Securities and Exchange Commission has softened some of the impulse to merge, postponing the removal of NYSE's Rule 390, prohibition members from trading securities off the floor of the exchange, the conviction that strength and security stems from diversification of activity and concentration through merger is now deeply ingrained within the industry.

We are pleased to announce the following have joined our firm

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Vice President and Director

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U.S. QUARTERLIES

ANDERSON CLAYTON	1977	1976
Second quarter		
Revenue	243.0m.	246.0m.
Net profits	2.1	2.1
Net per share	0.75	0.77
52 weeks		
Revenue	417.0m.	412.0m.
Net profits	21.7m.	21.7m.
Net per share	1.56	1.63
† Not given.		

GANNETT	1977	1976
Fourth quarter		
Revenue	159.0m.	134.0m.
Net profits	22.0m.	19.0m.
Net per share	0.83	0.70
52 weeks		
Revenue	558.0m.	483.0m.
Net profits	69.0m.	59.0m.
Net per share	2.60	2.22

JOHNS-MANVILLE	1977	1976
Year		
Revenue	1,460m.	1,310m.
Net profits	102.8m.	53.4m.
Net per share	4.78	2.64
52 weeks		
Revenue	5,820m.	5,440m.
Net profits	62.0m.	46.0m.
Net per share	0.73	0.68

McGRAW EDISON	1977	1976
Fourth quarter		
Revenue	257.2m.	248.0m.
Net profits	13.36m.	13.27m.
Net per share	0.81	0.81
52 weeks		
Revenue	1,040m.	1,010m.
Net profits	57.2m.	56.4m.
Net per share	3.50	3.47

NATIONAL GYPSUM	1977	1976
Fourth quarter		
Revenue	199.0m.	194.0m.
Net profits	8.3m.	9.6m.
Net per share	0.57	0.64
52 weeks		
Revenue	748.0m.	613.0m.
Net profits	38.7m.	37.0m.
Net per share	2.25	1.58

COMINCO	1977	1976
Year		
Revenue	739.0m.	725.0m.
Net profits	62.2m.	47.7m.
Net per share	3.43	2.66

GENESCO	1977	1976
Second quarter		
Revenue	280.0m.	285.0m.
Net profits	6.0m.	11.4m.
Net per share	0.40	† Loss.

ELI LILLY	1977	1976
Fourth quarter		
Revenue	382.0m.	344.0m.
Net profits	62.0m.	46.0m.
Net per share	0.73	0.68
52 weeks		
Revenue	1,500m.	1,400m.
Net profits	219.0m.	203.0m.
Net per share	3.10	2.87

FENNWALT	1977	1976
Year		
Revenue	894.9m.	777.3m.
Net profits	41.7m.	34.9m.
Net per share	4.23	3.36

TIMES MIRROR	1977	1976
Fourth quarter		
Revenue	313.0m.	263.0m.
Net profits	25.5m.	20.0m.
Net per share	0.72	0.60

INTERNATIONAL FINANCIAL AND COMPANY NEWS

JAPANESE CORPORATE BANKRUPTCIES

Prolonged recession is taking its toll

BY CHARLES SMITH IN TOKYO

YEAR 1977 Japanese for 41 per cent of all bankruptcies with debts of ¥10m. or more were officially declared bankrupt during the first nine months of 1977, whereas in 1976, the figure was 30 per cent. The management of the companies was the official explanation for another 22 per cent of the bankruptcies. This situation is the result of a much more severe recession than that of 1976, when only one-fifth of the companies were declared bankrupt. The recession was announced by the Government in September 1976, but it was not until the first months of 1977 that the full impact was felt. The recession was caused by a combination of factors, including a sharp decline in exports, a rise in interest rates, and a general loss of confidence in the economy. The result was a sharp decline in sales and profits for many companies, leading to a large number of bankruptcies. The Government has taken measures to support the economy, but the recession is expected to continue for some time.

business failure accounted for 12 per cent of all bankruptcies registered in 1977, but could undoubtedly have accounted for more if the Government had not adopted effective counter measures. Small companies which are endangered by the recession are likely to be the most numerous.

The chain reaction type of bankruptcy represents the most frightening phenomenon from the point of view of Japan's future economic health for the simple reason that it could, at least in theory, become enormously more prevalent.

Japanese companies are facing problems which might force them to start "dumping" subsidiaries or affiliates. But at least 60 concerns, listed on the nation's stock exchanges—according to a recent estimate by a Tokyo research agency, are currently in

Corporate bankruptcies involving debts of more than ¥10m. (\$40,000) in January totalled about 1,140—down 31.2 per cent from December and 11.1 per cent from the previous January—according to Teikoku Koshinsho Ltd., the private credit inquiry agency, reports AP-DJ. Liabilities left by the bankruptcies totalled ¥177.5bn. (\$735m.), to show a fall of

36.7 per cent from December and 12.1 per cent from January, 1977. The agency said that failures last month were restricted by seasonal factors, and by a loosening of credit over the past few months. January showed the lowest number of bankruptcies in one month since February, 1976, when 1,083 firms went under. It was the first month-to-month drop

since July of last year. By sector, corporate failures in the construction industry were reduced sharply from the previous month, and those in manufacturing, wholesale retailers and transportation industry also fell. But corporate bankruptcies in shipping, shipbuilding, foods, textiles steel and machinery, are continuing at high, reflecting the prolonged recession,

Most of the big companies which fail in Japan, and quite a number of medium-sized failures, qualify for reconstruction under the Company Rehabilitation Law (a process which was described in a previous article and which means that the majority of the workers involved do not even lose their jobs). What happens to the 90 per cent of small companies which officially "disappear" after bankruptcy (or rather to the hundreds of thousands of people who work for them) is one of the more intriguing mysteries of Japan's economic system.

The solution to the mystery appears to be that a very large number of small companies which go bankrupt are replaced sooner or later by a new company employing the same staff and run by the same management, but with a relative or complete change of the original proprietor "standing in" as company president—usually with the connivance of the bank.

Better margins boost Protea's half-year profit

BY RICHARD ROLFE

JOHANNESBURG, Feb. 8

PROTEA Holdings, the conglomerate group with interests spreading through the chemicals, engineering and electrical sectors, has turned in a good set of interim figures for the six months to end-December. The key to the results is improved profitability, Protea's answer to the unsuccessful bid from Abercom last May.

Protea shares fell to 55 cents at one time last year, recovering when it became clear that the dividend would be maintained. They are now 108 cents, and have been one of the best stock market performers among the local medium-sized industrials. Even so, the yield is still 12 per cent, assuming the present year's dividend total is again 13 cents.

Spanish banking purchase

BY ROBERT GRAHAM

MADRID, Feb. 8

AGREEMENT HAS been reached for the purchase by Spain's third industrial bank, Bankia, of a majority stake in Banco de Gredos, one of the commercial banks most affected by the collapse in mid-January of Banco de Navarra. Originally Gredos had Pesetas 750m. (\$180.4m.) of assets, but at the time of the collapse, its assets were only Pesetas 450m. (\$108.2m.) outstanding in inter-bank loans.

that they waive their new share subscription rights. This will allow Bankia to cover 80 per cent of the subscription and so hold 40 per cent of the new bank fully paid up capital. The Bankia move will also be combined with the incorporation of a small but old established bank, Banco de Vizcaya, in which it has a small stake. The combined deposits of this new banking group will be over Ptas.80bn. Apparently Bankia hopes to be able to recover some 70 per cent of Navarra's outstanding debt, leaving some Ptas.130m. uncovered. Ten banks and two savings institutes were owed a total of Ptas.3,030m. on the inter-bank market when the Bank of Spain intervened to rescue Navarra on January 17.

Loss for Tinto Industries

BY TONY HAWKINS

SALISBURY, Feb. 8

TURNOVER fell by nearly 20 per cent in 1977, and TIL says sales were lower than expected in the latter half of the year, when there is traditionally a seasonal upsurge in agricultural purchasing. As a result, manufacturing activity continued well below economic levels, but the scale of losses was much reduced.

In the latter half of the year, trading conditions remain depressed and until there is some significant improvement, there will be no dividends, TIL says.

More Bahrain offshore banking interest

BY DOINA THOMAS

BAHRAIN, Feb. 8

A NEW WAVE of interest in the Bahrain offshore banking market has emerged in the past few weeks. A number of Arabian and European financial institutions have shown an interest in the terms of offshore and investment banking licences on the tax-free island.

The total assets of the two-year-old offshore market in Bahrain reached \$15.7bn. at the end of December last year, compared to the \$8.2bn. at the end of 1976, according to figures just released by the Bahrain Monetary Agency. A total of 33 offshore banking units were in full operation at the end of 1977, and a further seven have opened, or will shortly open, this year.

Regional activity now accounts for over half the market, with liabilities in Gulf currencies, particularly the Kuwaiti dinar and the Saudi riyal, reaching the equivalent of \$3.6bn. compared with \$1.2bn. at the end of 1976. Liabilities to Arab countries (in all currencies) reached \$8.2bn. (\$2.6bn. in 1976), and loans totalled \$7bn. (\$2.5bn. in 1976). However, in terms of currencies, the dollar comprises 72 per cent of all liabilities.

Sharjah profit exceeds \$5m.

By Michael Blanden

SHARJAH GROUP, the Arab-backed investment company based in the Gulf Emirate of Sharjah, reports that its total revenues in its first period of operation were 47.2m. dirham (\$12.1m.). After deducting Dh27.9m. of expenses and other charges, the net income totalled Dh19.3m. (\$5m.) over the period from December 21, 1976, to the end of 1977.

The group was set up late in 1976 with the support of the ruler of Sharjah. It was the first Arab Gulf company to have offered its shares exclusively to Arab nationals, and its shareholders include a group of some 65 founding shareholders, senior members of the Arab ruling families and trading companies, together with a total of 39,000 others.

At the end of last year, the group's balance sheet totalled Dh521.7m. with more than half of this representing shareholders' equity of Dh271.9m. The group has concentrated in its first year on short-term investments, but has also formulated a policy for long-term investment and has undertaken feasibility studies in a number of potential areas.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Offer	Offer	Offer	Offer	Offer
Albania 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Algeria 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Algeria 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Australia 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Australia 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Australia 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Australia 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Australia 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Australia 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Australia 1000 1988	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2

International Income Fund

Units

Notice of Dividend Payment

Midland Bank Trust Company (Channel Islands) Limited as Trustee of the above mentioned fund has declared a dividend of U.S. \$2.00 per Unit for the financial year ended 31st December, 1977, payable on the 14th February, 1978, in respect of all Units in issue on 31st December, 1977. Unit holders should send coupon No. 17 to the Trustee at 28/34 Hill Street, St. Helier, Jersey, Channel Islands. Arrangements have been made whereby holders of all Units in issue at 13th February, 1977, may reinvest the dividend paid at that date in additional Units at a purchase price equal to the net asset value per Unit at 13th February, 1978. This right will terminate at the close of business on 10th March, 1978. Unit holders who desire to reinvest their dividend should advise the Trustee accordingly when presenting their coupons for payment.

Dated: 9th February, 1978

International Income Fund (IIF)

Administrative Agent:

European Banking Company Limited

Trustee:

Midland Bank Trust Company (Channel Islands) Limited

Weekly net asset value on February 6th, 1978

Tokyo Pacific Holdings N.V.

U.S. \$43.05

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. \$31.38

Listed on the Amsterdam Stock Exchange

Information: Pierson, Halding & Pierson N.V., Herengracht 214, Amsterdam.

YONTHEL EUROBOND INDICES

14576-100%

PRICE INDEX	7.7.77	31.1.78	AVERAGE YIELD	7.7.77	31.1.78
DM Bonds	107.93	107.75	DM Bonds	6.369	6.396
DM Bonds & Notes	104.11	103.11	DM Bonds & Notes	7.254	7.688
U.S. 5 Yr. Bonds	99.29	99.77	U.S. 5 Yr. Bonds	8.674	8.721

CIMPOR-Cimentos de Portugal E.P.

US \$12,000,000 medium term loan

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Investments and Handelsbank A.G. **Société Générale de Banque S.A.**

Toronto Dominion Bank **United International Bank Limited**

Agent Bank

American Express International Banking Corporation

NOTICE TO THE HOLDERS OF ITO-YOKADO CO., LTD. 5% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1983

Pursuant to Section 3.05 of this Company's Indenture dated as of June 15, 1977 under which the 5.00% Debentures were issued, notice is hereby given as follows:

1. On February 1, 1978 the Board of Directors of the Company resolved to make a free distribution of shares of the Common Stock to shareholders of record as of February 23, 1978 in Japan (February 27 in New York City), at the rate of 1 share for each 10 shares held.

2. Accordingly, the conversion price of the Debentures will be adjusted effective immediately after such record date. The conversion price in effect prior to such adjustment is Yen 1,580 per share of Common Stock, and the adjusted conversion price is Yen 1,445.5 per share of Common Stock.

ITO-YOKADO CO., LTD.

By The Bank of Tokyo Trust Company as Trustee

February 8, 1978

MIM HOLDINGS LIMITED

SECOND PROGRESS REPORT 1977-78

24 weeks to December 18 1977

	24 weeks to 18.12.77	24 weeks to 19.12.76	12 weeks to 18.12.77	12 weeks to 19.12.76
FINANCIAL 5000's				
Unaudited net earnings	27,091(1)	18,400(3)	11,291	7,693(3)
Capital gain from sale of MIM shareholding	25,400(2)	12,288(1)	10,445	7,107(1)
Net earnings	1,777(8)	160,511	95,863	74,829
Cost of Sales	130,391	110,568	71,002	51,354
Other Income	6,719	3,576	3,159	2,250
Other charges	1,542	15,237	9,250	7,779
Profit before tax	15,377	20,382(3)	7,491	10,771(3)
Income tax	7,777	—	—	—
Profit after tax	7,600	—	—	—
Dividend per share	12	477(3)	12	4,777
Dividend yield	1.2%	1.5%	—	—
Dividend cover	10.7%	11.9%	6.5%	5.9%
Dividend yield	1.2%	1.5%	—	—
Dividend cover	10.7%	11.9%	6.5%	5.9%

PRODUCTION

Blister copper production and copper ore treated increased over the corresponding period last year by 6.5% and 5.8% respectively. The increases are attributable partly to increased productivity and partly to the lower than normal blister production in the previous year.

A 1.8% drop in crude lead production was due to restrictions resulting from environmental considerations, maintenance program requirements and minor operating breakdowns.

Silver and zinc production levels showed a small improvement on the corresponding period last year.

SALES

Copper — tonnes

At price \$A tonne —	65,687	63,168	34,771	25,766
At price \$A tonne —	1,102	1,223	1,069	1,175
At price \$A tonne —	76,131	64,353	40,738	34,621
At price \$A tonne —	438	395	344	401
At price \$A tonne —	45,043	50,513	21,442	24,749
At price \$A tonne —	617	650	628	716
At price \$A tonne —	160,181	137,973	93,635	81,118
At price \$A tonne —	133	117	125	113

PRODUCTION

Copper ore treated (tonnes)	2,343,578	2,214,467	1,171,538	1,152,923
Lead ore treated (tonnes)	1,108,050	1,046,660	545,576	496,519
Total ore treated (tonnes)	3,451,628	3,261,127	1,717,114	1,649,442
Blister copper produced (tonnes)	68,300	64,120	36,660	32,880
Copper lead produced (tonnes)	59,520	61,000	29,320	26,520
Zinc concentrate produced (tonnes)	91,597	87,813	47,174	46,466
Silver in products (kilograms)	189,437	183,586	96,508	92,454

SALES

Sales revenue during the 24 weeks increased by 10.8% from the corresponding period last year. This increase was mainly due to improved lead and silver markets with both volumes sold and prices received up substantially. Revenue from copper and zinc sales however continued to reflect poor market conditions. The average copper price declined by 9.9% from the corresponding period last year, but this decline was partially relieved by a 4% increase in metal sold. Sales of zinc concentrate were down 10.8% from the corresponding period last year, but this decline was partially relieved by a small reduction in the price received.

R.B. BYERS SECRETARY.

Search for the right track

BY JOHN LLOYD



Mr. Peter Parker, 1m. tonnes of coal "at risk."

ER PARKER, the chairman of British Rail, was in a cusp. The figure was steady at 69 per cent of output. In 1976, however, it went up to 71 per cent, and last year the figure was 74 per cent. The NCB output. Much of that was the extra tonnage carried by the railways in 1976.

Where the two nationalised industries are in danger of falling out is over the movement of domestic coal, a market which has slipped down to apparent stability at about 10m. tonnes. Much of that is "natural" which are worth £24m. a tonne. British Rail—Mr. Parker's first train—has been carrying 10m. tonnes of coal from South Wales to large depots in big cities. But a significant proportion—around 25 per cent, or 1m. tonnes—of one- or two-wagon delivery coal, which has to be painstakingly loaded from pit-head to relatively remote stations in the East of England.

In the first place, this kind of coal can be moved up to 23 a tonne cheaper by road than it can by rail—a significant margin for the NCB, which is anxious to find markets for its growing volume of output. More conclusively, the facilities for loading it on to wagons at the pit-head are fast disappearing. Thanks largely, and ironically, to the success of the transportation systems installed for moving power station and industrial coal.

Three years ago, the NCB embarked on a £45m. programme of modernisation of its coal-handling facilities at major pits and despatch points. The centrepiece in each case was the rapid-loading bunker, which can discharge coal into coal trucks in a matter of seconds. Each one costs

between £15m. and £2m. A rapid loader requires coal trains to operate efficiently: it cannot serve individual trucks. So the NCB is busy removing the comparatively labour-intensive machinery which had been required to load individual trucks. Quite soon, British Rail's mineral wagons will not be able to load up in most pits.

Logical

The EEC has a part to play in the story too. Since its inception, the NCB has operated what are known as regional zoning agreements with the domestic coal trade; these are the means by which the variations in coal

prices due to transport costs are evened out across the country. The EEC says they must go, and go they will, by next April.

This means that pithead prices will be charged for all domestic coal, and will make the more costly British Rail transportation of coal look even less attractive. NCB officials concede that road transport may not continue to offer better rates; an enforced reduction in drivers' hours, or a sharp rise in fuel prices, might suddenly destroy its allure. For the moment, however, commercial logic is on its side.

For the coal merchants, the discussions bode both good and ill. They are naturally keen to see transport costs lowered; but the NCB proposed reduction of loading facilities, and of coal depots themselves, might mean added difficulties over supply. Many of the yards are on British Rail land, and BR charges a negotiable premium of at least 10p a tonne on long-delivered coal coming into these yards. It continues to do so as a deterrent to more coal being moved by road.

Mr. Parker has taken on board the fact that he can only hold the trade by being competitive. He told the Coal Industry Society: "We've certainly got to be more competitive on price, and we've got to look at the market situation to ensure that we remain competitive for these flows which can be carried profitably on rail."

In the long term, however, it seems unlikely that he can avoid some loss of the very efficiency of the railways' bulk delivery service means that it is becoming less and less geared to small deliveries.

Redemption Notice

City of Oslo (Norway)

9% Sinking Fund External Loan Bonds due March 1, 1985

TICE IS HEREBY GIVEN, pursuant to Fiscal Agency Agreement dated as of March 1, 1976 under which the above described Bonds were issued, that Citibank N.A. Fiscal Agent, has selected by lot for redemption on March 1, 1978 through the operation of the Sinking Fund, \$1,000,000 amount of said Bonds at the Sinking Fund redemption price of 100% of the principal amount thereof, together with accrued interest to the date of redemption. The serial numbers of the Bonds selected by lot for redemption are as follows:

BOND NUMBER									
676	988	1203	1479	1697	2088	2281	2428	2680	2946
677	989	1204	1480	1698	2089	2282	2429	2681	2947
678	990	1205	1481	1699	2090	2283	2430	2682	2948
679	991	1206	1482	1700	2091	2284	2431	2683	2949
680	992	1207	1483	1701	2092	2285	2432	2684	2950
681	993	1208	1484	1702	2093	2286	2433	2685	2951
682	994	1209	1485	1703	2094	2287	2434	2686	2952
683	995	1210	1486	1704	2095	2288	2435	2687	2953
684	996	1211	1487	1705	2096	2289	2436	2688	2954
685	997	1212	1488	1706	2097	2290	2437	2689	2955
686	998	1213	1489	1707	2098	2291	2438	2690	2956
687	999	1214	1490	1708	2099	2292	2439	2691	2957
688	1000	1215	1491	1709	2100	2293	2440	2692	2958
689	1001	1216	1492	1710	2101	2294	2441	2693	2959
690	1002	1217	1493	1711	2102	2295	2442	2694	2960
691	1003	1218	1494	1712	2103	2296	2443	2695	2961
692	1004	1219	1495	1713	2104	2297	2444	2696	2962
693	1005	1220	1496	1714	2105	2298	2445	2697	2963
694	1006	1221	1497	1715	2106	2299	2446	2698	2964
695	1007	1222	1498	1716	2107	2300	2447	2699	2965
696	1008	1223	1499	1717	2108	2301	2448	2700	2966
697	1009	1224	1500	1718	2109	2302	2449	2701	2967
698	1010	1225	1501	1719	2110	2303	2450	2702	2968
699	1011	1226	1502	1720	2111	2304	2451	2703	2969
700	1012	1227	1503	1721	2112	2305	2452	2704	2970
701	1013	1228	1504	1722	2113	2306	2453	2705	2971
702	1014	1229	1505	1723	2114	2307	2454	2706	2972
703	1015	1230	1506	1724	2115	2308	2455	2707	2973
704	1016	1231	1507	1725	2116	2309	2456	2708	2974
705	1017	1232	1508	1726	2117	2310	2457	2709	2975
706	1018	1233	1509	1727	2118	2311	2458	2710	2976
707	1019	1234	1510	1728	2119	2312	2459	2711	2977
708	1020	1235	1511	1729	2120	2313	2460	2712	2978
709	1021	1236	1512	1730	2121	2314	2461	2713	2979
710	1022	1237	1513	1731	2122	2315	2462	2714	2980
711	1023	1238	1514	1732	2123	2316	2463	2715	2981
712	1024	1239	1515	1733	2124	2317	2464	2716	2982
713	1025	1240	1516	1734	2125	2318	2465	2717	2983
714	1026	1241	1517	1735	2126	2319	2466	2718	2984
715	1027	1242	1518	1736	2127	2320	2467	2719	2985
716	1028	1243	1519	1737	2128	2321	2468	2720	2986
717	1029	1244	1520	1738	2129	2322	2469	2721	2987
718	1030	1245	1521	1739	2130	2323	2470	2722	2988
719	1031	1246	1522	1740	2131	2324	2471	2723	2989
720	1032	1247	1523	1741	2132	2325	2472	2724	2990
721	1033	1248	1524	1742	2133	2326	2473	2725	2991
722	1034	1249	1525	1743	2134	2327	2474	2726	2992
723	1035	1250	1526	1744	2135	2328	2475	2727	2993
724	1036	1251	1527	1745	2136	2329	2476	2728	2994
725	1037	1252	1528	1746	2137	2330	2477	2729	2995
726	1038	1253	1529	1747	2138	2331	2478	2730	2996
727	1039	1254	1530	1748	2139	2332	2479	2731	2997
728	1040	1255	1531	1749	2140	2333	2480	2732	2998
729	1041	1256	1532	1750	2141	2334	2481	2733	2999
730	1042	1257	1533	1751	2142	2335	2482	2734	3000
731	1043	1258	1534	1752	2143	2336	2483	2735	3001
732	1044	1259	1535	1753	2144	2337	2484	2736	3002
733	1045	1260	1536	1754	2145	2338	2485	2737	3003
734	1046	1261	1537	1755	2146	2339	2486	2738	3004
735	1047	1262	1538	1756	2147	2340	2487	2739	3005
736	1048	1263	1539	1757	2148	2341	2488	2740	3006
737	1049	1264	1540	1758	2149	2342	2489	2741	3007
738	1050	1265	1541	1759	2150	2343	2490	2742	3008
739	1051	1266	1542	1760	2151	2344	2491	2743	3009
740	1052	1267	1543	1761	2152	2345	2492	2744	3010
741	1053	1268	1544	1762	2153	2346	2493	2745	3011
742	1054	1269	1545	1763	2154	2347	2494	2746	3012
743	1055	1270	1546	1764	2155	2348	2495	2747	3013
744	1056	1271	1547	1765	2156	2349	2496	2748	3014
745	1057	1272	1548	1766	2157	2350	2497	2749	3015
746	1058	1273	1549	1767	2158	2351	2498	2750	3016
747	1059	1274	1550	1768	2159	2352	2499	2751	3017
748	1060	1275	1551	1769	2160	2353	2500	2752	3018
749	1061	1276	1552	1770	2161	2354	2501	2753	3019
750	1062	1277	1553	1771	2162	2355	2502	2754	3020
751	1063	1278	1554	1772	2163	2356	2503	2755	3021
752	1064	1279	1555	1773	2164	2357	2504	2756	3022
753	1065	1280	1556	1774	2165	2358	2505	2757	3023
754	1066	1281	1557	1775	2166	2359	2506	2758	3024
755	1067	1282	1558	1776	2167	2360	2507	2759	3025
756	1068	1283	1559	1777	2168	2361	2508	2760	3026
757	1069	1284	1560	1778	2169	2362	2509	2761	3027
758	1070	1285	1561	1779	2170	2363	2510	2762	3028
759	1071	1286	1562	1780	2171	2364	2511	2763	3029
760	1072	1287	1563	1781	2172	2365	2512	2764	3030
761	1073	1288	1564	1782	2173	2366	2513	2765	3031
762	1074	1289	1565	1783	2174	2367	2514	2766	3032
763	1075	1290	1566	1784	2175	2368	2515	2767	3033
764	1076	1291	1567	1785	2176	2369	2516	2768	3034
765	1077	1292	1568	1786	2177	2370	2517	2769	3035
766	1078	1293	1569	1787	2178	2371	2518	2770	3036
767	1079	1294	1570	1788	2179	2372	2519	2771	3037
768	1080	1295	1571	1789	2180	2373	2520	2772	3038
769	1081	1296	1572	1790	2181	2374	2521	2773	3039
770	1082	1297	1573	1791	2182	2375	2522	2774	3040
771	1083	1298	1574	1792	2183	2376	2523	2775	3041
772	1084	1299	1575	1793	2184	2377	2524	2776	3042
773	1085	1300	1576	1794	2185	2378	2525	2777	3043
774	1086	1301	1577	1795	2186	2379	2526	2778	3044
775	1087	1302	1578	1796	2187	2380	2527	2779	3045
776	1088	1303	1579	1797	2188	2381	2528	2780	3046
777	1089	1304	1580	1798	2189	2382	2529	2781	3047
778	1090	1305	1581	1799	2190	2383	2530	2782	3048
779	1091	1306	1582	1800	2191	2384	2531	2783	3049
780	1092	1307	1583	1801	2192	2385	2532	2784	3050
781	1093	1308	1584	1802	2193	2386	2533	2785	3051
782	1094	1309	1585	1803	2194	2387	2534	2786	3052
783	1095	1310	1586	1804	2195	2388	2535	2787	3053
784	1096	1311	1587	1805	2196	2389	2536	2788	3054
785	1097	1312	1588	1806	2197	2390	2537	2789	3055
786	1098	1313	1589	1807	2198	2391	2538	2790	3056
787	1099	1314	1590	1808	2199	2392	2539	2791	3057
788	1100	1315	1591	1809	2200	2393	2540	2792	3058
789	1101	1316	1592	1810	2201	2394	2541	2793	3059
790	1102	1317	1593	1811	2202	2395	2542	2794	3060
791	1103	1318	1594	1812	2203	2396	2543	2795	3061
792	1104	1319	1595	1813	2204	2397	2544	2796	3062
793	1105	1320	1596	1814	2205	2398	2545	2797	3063
794	1106	1321	1597	1815	2206	2399	2546	2798	3064
795	1107	1322	1598	1816	2207	2400	2547	2799	3065
796	1108	1323	1599	1817	2208	2401	2548	2800	3066
797	1109	1324	1600	1818	2209	2402	2549	2801	3067
798	1110	1325	1601	1819	2210	2403	2550	2802	3068
799	1111	1326	1602	1820	2211	2404	2551	2803	3069
800	1112	1327	1603	1821	2212	2405	2552	2804	3070
801	1113	1328	1604	1822	2213	2406	2553	2805	3071
802	1114	1329	1605	1823	2214	2407	2554	2806	3072
803	1115	1330	1606	1824	2215	2408	2555	2807	3073
804	1116	1331	1607	1825	2216	2409	2556	2808	3074
805	1117	1332	1608	1826	2217	2410	2557	2809	3075
806	1118	1333	1609	1827	2218	2411	2558	2810	3076
807	1119	1334	1610	1828	2219	2412	2559	2811	3077
808	1120	1335	1611	1829	2220	2413	2560	2812	3078
809									

Rolls' bid for PWR power

By DAVID FISHLOCK, Science Editor

ROLLS-ROYCE, playing host to the Prime Minister in Derby in December, took the opportunity to brief him of one of Britain's most secret technologies: the nuclear reactor it builds for the Navy.

Sir Kenneth Keith, Rolls-Royce's chairman, told Mr. Callaghan that from a bilateral agreement negotiated with the U.S. in the late 1950s Britain had already developed a series of pressurised water reactors.

These "British PWRs," manufactured wholly in the U.K., are in service today in 13 submarines, the latest of which—Sceptre—joins the fleet next week. A new generation of PWR is in prototype at HMS Vulcan, a reactor test station in Scotland run by Rolls-Royce for the Navy. Construction of the prototype of a fourth generation of British PWR will begin there next year.

Sir Kenneth's purpose in briefing first the PM then Mr. Anthony Wedgwood Benn, Secretary for Energy, was to make a strong bid for a role in Britain's new nuclear power programme. Where in the past Rolls-Royce's nuclear activities have been almost exclusively for the Navy, which has jealously husbanded the experience, the company now wants to enter the market for civil reactors with its experience of the PWR. Moreover, it is claiming a track record unrivalled in the civil nuclear sector, for a type of reactor which the electricity supply industry is eager

to have available as an alternative to the advanced gas-cooled reactor.

Behind these claims stands one of the least-publicised companies of its size in Britain: Rolls-Royce and Associates, a consortium of about 1,300 staff, comprising a 54 per cent. Rolls-Royce shareholding, with the balance shared equally between Babcock and Wilcox, Foster Wheeler, and Vickers. It was originally set up by the Ministry of Defence in 1959 to manage the procurement of a Westinghouse reactor from the U.S. for Dreadnought, Britain's first nuclear submarine. At the same time it built Britain's first PWR, at HMS Vulcan—named after the lame god who never went to war—for development and training, and for the simulation of nuclear propulsion problems at sea.

Rolls-Royce and Associates does not try to minimise the fact that it had plenty of problems with its early PWRs. But as it learned the difficult new technology and as it gained the Navy's confidence, the Ministry of Defence delegated more and more responsibility. "We taught ourselves the fundamental technology that was not part of the package the Government bought from Westinghouse," says Mr. Peter Goodwin, managing director. To-day his company has total responsibility for the submarine reactor programme "from cradle to grave." It has provided the

Navy with 16 reactors and 30 reactor "cores"—the heart of the system, which includes the fuel—and has another three reactors under construction. Moreover, as manager of HMS Vulcan, it is the only private company in Britain operating a power reactor.

To-day the company claims to build PWRs on schedule, to the price quoted, and to the performance stipulated by its customer, the Navy's Ship Department at Bath. (Incidentally, the customer supports these claims.) Its turnover is around £25m. The four shareholders account for more than 50 per cent. of the value of a nuclear package which costs the Navy about £10m. Rolls-Royce itself makes the core, about 23.5 per cent. of the value (excluding the highly enriched uranium fuel, which is supplied by the Ministry of Defence). Babcock supplies the 50-ton reactor pressure vessel, about 7 per cent. of the value. Foster Wheeler provides the two 25-ton steam generators, another 18.5 per cent.; and Vickers provides the core barrel, emergency cooler and the complete shipboard installation.

Compared with a civil power reactor of the size the Central Electricity Generating Board wants to order, around 1,200-1,300 MW, the submarine reactor is small. It is smaller in power output than Britain's first electricity-generating reactors, the four gas-cooled reactors

of Calder Hall. But the submarine PWR technology—except for the design of its very highly rated core—has remained fundamentally unchanged.

Moreover, because of the stresses a mobile military reactor must be designed for, such as shock and sudden demands for peak power, the submarine reactor must be very robustly constructed. For example, the steel pressure vessel, about the height of a double-decker bus, is two-fifths as tall as, and weighs about one-eighth of, that for a civil PWR. The steam generator, of a design which has found no acceptance yet in civil reactors, has avoided all the vexing corrosion problems experienced in PWR power stations, as well as being "astonishingly free" from the bugbear of all big boilers—tube weld leaks.

A major part of the company's activity is devoted to development. From the original package provided by Westinghouse it developed the first British submarine core, longer-lived and providing more power. The combined effect is almost to double the energy supplied by a core—for a 19 per cent. increase in application cost. This core has been in service since 1973 and is capable of being "backfitted" to all the submarines except Dreadnought. The next development step involved more widespread changes for the goal set by the Navy was a still longer life com-

bined with much less reactor noise. This project, begun in 1966, has not only met the Navy's tough specification for noise but has produced a reactor capable of almost doubling again the output.

To test the new system they had to use radical surgery at HMS Vulcan. In what is known locally as the "bicycle shed"—a reflection upon its unprepossessing appearance—the company operates what is effectively half a nuclear submarine: PWR, steam turbine, electricity generators about 10 per cent. of the reactor's output, together with nuclear facilities for handling and storing spent fuel and radioactive components. In a refit that started in 1972 the company virtually rebuilt the reactor, leaving little unchanged except the pressure vessel and some pipework.

The new reactor has been operating for almost a year. This has demonstrated that the fresh gains in power output and reduced noise have been achieved for an increase in estimated application cost of 16 per cent. The new core is expected to enter service with the fleet in early 1980s.

Each of these steps in PWR technology has been achieved for a design and development cost of about £5m-£7m., excluding the cost of prototype testing, estimates Mr. Peter Jones, the director responsible. About one-third of the company's staff comes under his control. His

resources include Neptune, a "zero-energy" experimental reactor, and large loops for testing full-scale components and sub-systems.

He builds perspex models roughly one-third of the size of the submarine PWR, in order to see precisely how the coolant water is behaving as it is forced through the densely-packed fuel.

The big project with Mr. Jones's department now is the design and development of the fourth generation of British PWR. This is planned as a bigger step forward than its predecessors; too big to be backfitted. It is expected to enter fleet service in the early 1990s.

The first big step in the project, however, will be to build a new prototype submarine at HMS Vulcan, at a cost Mr. Goodwin estimates "some tens of millions of pounds." After 15 years of operation, the present prototype is growing tired, he says, and if the company is to continue developing the PWR for the Navy it needs a new one for the 1980s.

But this time, instead of adapting the Dreadnought design, he plans to design the PWR "from scratch." It will be the biggest single contract the company has undertaken. "And we'll end up with a safer, more reliable plant to meet a more stringent set of military objectives." The scientists are eager to dismantle the present prototype and hold a post-



Prototype operated by Rolls-Royce at Dounreay: effectively half a submarine, including all main and standby propulsion machinery for a nuclear submarine.

mortem on such parts as the reactor pressure vessel, seeking any signs of deterioration after 20 years of irradiation.

But what does all this add up to in terms of a role for the company in the civil reactor programme? The onus is upon it to show not just what it might contribute to the civil sector, but how.

Peter Goodwin admits "massive gaps" in the company's experience relating to civil reactors. For one thing, it has no experience of dealing with overseas suppliers, much less with the electricity industry.

It sees the Navy as a specially "enlightened customer" which, to quote Peter Jones, has "created an environment in which we can thrive."

On one politically controversial point the Rolls-Royce and "cradle-to-grave" involvement with the Navy's reactors implies CEBG are already in complete accord: the Westinghouse tech-support that is expected from nology is the one on which the nuclear power industry.

What the company appears to have to offer is 19 years of experience with the reactor house has a fund of experience system which both the electricity supply industry and a any other licensor. Beyond substantial section of the that, the company believes it nuclear design and construction has experience to offer the industry believe should be present nuclear design and construction industry unrivalled alternative to the AGR. The even by the pooling of all other company has procured one and industrial and development ex delivered another 15 PWRs, perience of water-cooled albeit small ones by electricity reactors available in the U.K.

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Notice of Redemption

Coming International Corporation

9% Guaranteed Floating Fund Debentures Due March 15, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of March 15, 1977, under which the above designated Debentures are issued, \$5,000,000 aggregate principal amount of such Debentures (the "Debentures") has been drawn for redemption on March 15, 1978 (hereinafter referred to as the "redemption date") through the operation of the Sinking Fund (the "Sinking Fund") established pursuant to the Indenture. The following table sets forth the Debentures to be redeemed on the redemption date, together with the coupon interest rate and the date of maturity of each Debenture. The Debentures to be redeemed on the redemption date are those Debentures which are listed in the table below and which are not listed in the table below as having been redeemed prior to the redemption date.

Sinking Fund Debentures

Debenture No.	Principal (\$)	Coupon Rate (%)	Maturity Date
1000	1000	9.00	3/15/85
1001	1000	9.00	3/15/85
1002	1000	9.00	3/15/85
1003	1000	9.00	3/15/85
1004	1000	9.00	3/15/85
1005	1000	9.00	3/15/85
1006	1000	9.00	3/15/85
1007	1000	9.00	3/15/85
1008	1000	9.00	3/15/85
1009	1000	9.00	3/15/85
1010	1000	9.00	3/15/85
1011	1000	9.00	3/15/85
1012	1000	9.00	3/15/85
1013	1000	9.00	3/15/85
1014	1000	9.00	3/15/85
1015	1000	9.00	3/15/85
1016	1000	9.00	3/15/85
1017	1000	9.00	3/15/85
1018	1000	9.00	3/15/85
1019	1000	9.00	3/15/85
1020	1000	9.00	3/15/85
1021	1000	9.00	3/15/85
1022	1000	9.00	3/15/85
1023	1000	9.00	3/15/85
1024	1000	9.00	3/15/85
1025	1000	9.00	3/15/85
1026	1000	9.00	3/15/85
1027	1000	9.00	3/15/85
1028	1000	9.00	3/15/85
1029	1000	9.00	3/15/85
1030	1000	9.00	3/15/85
1031	1000	9.00	3/15/85
1032	1000	9.00	3/15/85
1033	1000	9.00	3/15/85
1034	1000	9.00	3/15/85
1035	1000	9.00	3/15/85
1036	1000	9.00	3/15/85
1037	1000	9.00	3/15/85
1038	1000	9.00	3/15/85
1039	1000	9.00	3/15/85
1040	1000	9.00	3/15/85
1041	1000	9.00	3/15/85
1042	1000	9.00	3/15/85
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1052	1000	9.00	3/15/85
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1064	1000	9.00	3/15/85
1065	1000	9.00	3/15/85
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1068	1000	9.00	3/15/85
1069	1000	9.00	3/15/85
1070	1000	9.00	3/15/85
1071	1000	9.00	3/15/85
1072	1000	9.00	3/15/85
1073	1000	9.00	3/15/85
1074	1000	9.00	3/15/85
1075	1000	9.00	3/15/85
1076	1000	9.00	3/15/85
1077	1000	9.00	3/15/85
1078	1000	9.00	3/15/85
1079	1000	9.00	3/15/85
1080	1000	9.00	3/15/85
1081	1000	9.00	3/15/85
1082	1000	9.00	3/15/85
1083	1000	9.00	3/15/85
1084	1000	9.00	3/15/85
1085	1000	9.00	3/15/85
1086	1000	9.00	3/15/85
1087	1000	9.00	3/15/85
1088	1000	9.00	3/15/85
1089	1000	9.00	3/15/85
1090	1000	9.00	3/15/85
1091	1000	9.00	3/15/85
1092	1000	9.00	3/15/85
1093	1000	9.00	3/15/85
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1096	1000	9.00	3/15/85
1097	1000	9.00	3/15/85
1098	1000	9.00	3/15/85
1099	1000	9.00	3/15/85
1100	1000	9.00	3/15/85
1101	1000	9.00	3/15/85
1102	1000	9.00	3/15/85
1103	1000	9.00	3/15/85
1104	1000	9.00	3/15/85
1105	1000	9.00	3/15/85
1106	1000	9.00	3/15/85
1107	1000	9.00	3/15/85
1108	1000	9.00	3/15/85
1109	1000	9.00	3/15/85
1110	1000	9.00	3/15/85
1111	1000	9.00	3/15/85
1112	1000	9.00	3/15/85
1113	1000	9.00	3/15/85
1114	1000	9.00	3/15/85
1115	1000	9.00	3/15/85
1116	1000	9.00	3/15/85
1117	1000	9.00	3/15/85
1118	1000	9.00	3/15/85
1119	1000	9.00	3/15/85
1120	1000	9.00	3/15/85
1121	1000	9.00	3/15/85
1122	1000	9.00	3/15/85
1123	1000	9.00	3/15/85
1124	1000	9.00	3/15/85
1125	1000	9.00	3/15/85
1126	1000	9.00	3/15/85
1127	1000	9.00	3/15/85
1128	1000	9.00	3/15/85
1129	1000	9.00	3/15/85
1130	1000	9.00	3/15/85
1131	1000	9.00	3/15/85
1132	1000	9.00	3/15/85
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1178	1000	9.00	3/15/85
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1180	1000	9.00	3/15/85
1181	1000	9.00	3/15/85
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1186	1000	9.00	3/15/85
1187	1000	9.00	3/15/85
1188	1000	9.00	3/15/85
1189	1000	9.00	3/15/85
1190	1000	9.00	3/15/85
1191	1000	9.00	3/15/85
1192	1000	9.00	3/15/85
1193	1000	9.00	3/15/85
1194	1000	9.00	3/15/85
1195	1000	9.00	3/15/85
1196	1000	9.00	3/15/85
1197	1000	9.00	3/15/85
1198	1000	9.00	3/15/85
1199	1000	9.00	3/15/85
1200	1000	9.00	3/15/85

Coming International Corporation

February 9, 1978

General Mining Group

COAL MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31 DECEMBER 1977

(Each Company is incorporated in the Republic of South Africa)
(All figures are subject to audit)

TRANS-NATAL COAL CORPORATION LIMITED

	Quarter ended 31.12.77	Quarter ended 30.9.77	Quarter ended 31.12.76	6 months to 31.12.77
Tons sold	5240,800	5,282,100	5,026,700	10,522,900
GROUP INCOME	R(000)	R(000)	R(000)	R(000)
Net income from mining and allied activities	8,429	6,959	8,011	15,388
Deduct: Finance and sundries	360	(324)	126	36
Deduct: Taxation	8,069	7,283	7,885	15,352
Outside interest	2,557	2,206	824	4,763
NET GROUP INCOME	4,184	4,435	5,345	8,619
CAPITAL EXPENDITURE	2,292	1,252	3,006	3,544

NOTES:

(1) Dividend No. 30 of 8 cents per share was declared on 8 December 1977 and is payable on 23 February 1978.
(2) The December 1977 net income includes a non-recurring adjustment of R580,000 in respect of the previous quarter. Tax is unaffected.

On behalf of the Board

G. CLARK
Dr. W. J. de VILLIERS Directors

THE CLYDEDALE (TRANSVAAL) COLLIERIES LIMITED

	Quarter ended 31.12.77	Quarter ended 30.9.77	Quarter ended 31.12.76	6 months to 31.12.77
Tons sold	1,179,400	1,101,200	1,209,000	2,280,600
INCOME	R(000)	R(000)	R(000)	R(000)
Net income from mining and allied activities	1,317	1,187	1,398	2,504
Other income	52	62	(34)	114
Deduct: Taxation	1,369	1,249	1,364	2,618
Outside interest	536	488	534	1,024
NET INCOME AFTER TAXATION	833	761	830	1,594
CAPITAL EXPENDITURE	182	301	—	483
CAPITAL RECOVERMENTS	—	—	439	—

NOTE:

Dividend No. 129 of 6 cents per share was declared on 8 December 1977 and is payable on 23 February 1978.

On behalf of the Board

D. GORDON
G. CLARK Directors

General Mining & Finance Corporation Limited,
6 Holland Street, Johannesburg 2001,
9 February 1978.

London Office:
Princes House,
95 Gresham Street,
London, EC2V 7EN.

APPOINTMENTS

Division merger at Commercial Union

COMMERCIAL UNION ASSURANCE COMPANY is to consolidate its overseas and international risks divisions and North West Europe headquarters into one management operation in London during 1978, to be known as overseas division. Mr. A. Wilson-Smith, at present general manager, overseas division and Mr. A. P. Baines, general manager, international risks division, will join international management in their capacities as general managers on the consolidation of the new administration. Mr. M. A. G. Linck, deputy general manager, overseas division, will be general manager of the new overseas division. Mr. A. J. Smith, deputy general manager, international risks division and Mr. C. O. Rowe, assistant general manager of that division, are to become deputy general managers of the overseas division. Mr. A. de Hulla, general manager, North West Europe, will continue to be resident in Amsterdam, retaining his present responsibilities for Holland and will also act in a liaison capacity with international management and overseas division in separate territories in Northern Europe.

Mr. Douglas G. Owen has been appointed a non-executive director of McCLEERY LAMIE GROUP. Mr. Owen was with ICI for 30 years, and from 1971 he was chairman of ICI companies in India. Previously, he was deputy chairman of the plastics division of ICI from 1963-71.

The next chairman of the GREATER LONDON COUNCIL is to be Mr. Harold Mote, 65, at present chairman of the GLC's London Transport committee. Mr. Mote, an electronics engineer and managing director of several com-



Mr. Harold Mote

panies which he has built up himself since the war, will take over from Mr. Lawrence Bains at the GLC's annual meeting on May 16. During the war, Mr. Mote was a Lieutenant-Colonel at 22 and saw active service in Europe, Africa, and the Far East.

Mr. Gordon A. England has been appointed director, U.K., of SBI INTERNATIONAL, previously called Stanford Research Institute. He will be based at the London office. Mr. H. F. Robert Perrin has become director, management and economic divisions in Europe, Middle East and Africa, and will operate from Croydon.

Mr. Ronald A. Muckleston has resigned as director, education and training with the ASSOCIATION OF INSURANCE AND RISK MANAGERS IN INDUSTRY AND COMMERCE and has been replaced by Mr. Hugh R. Loader, group insurance manager, Associated Television Corporation. Mr. Muckleston has left because of demands on his time following changes within IncoEurope.

Mr. Robin J. C. Pugsley has been appointed marketing director of C. BRYANT AND SON (Bryant Holdings) and takes up his new post after over five years as sales director of Bison Concrete (Midlands).

Sir James Starriff, retired Deputy Commissioner of the Metropolitan

WORLD TRADE IN RAW MATERIALS

Improved prospects for pigs

World trade in wheat forecast to reach record

EEC sugar sales increase

FARMERS CLUB SEMINAR

Dutch warning of higher costs

By JOHN EDWARDS, COMMODITIES EDITOR

IMPACT of the devaluation of the "green pound" and a drastic reduction in the price of animals for herding should counteract the seasonal fall in pig prices next month or so, according to Meat and Livestock Commission, assessing market prices for the new season, says after a slight reduction in summer, September and October should see the start of a lively sharp increase in prices.

LC, which over-estimated the depth of the market last year, says in its latest market report that the expected rise between mid-October and the end of December did not occur partly because of the weakness of the whole bacon market.

But prices, now hovering at 50p a kilo deadweight, are expected to reach 90p by October, says Bacon, which says it will rise to almost 100p by the end of the year.

Production this year is expected to be 570,000 tonnes, per cent less than last year, on output is estimated at 600,000 tonnes, down 10 per cent.

Farmers slow to draw 'dole'

By CHRISTOPHER PARKES

THERE IS a tally of evidence that in Britain at least, the Common Market's attempts to reduce milk production by paying farmers to give up dairying is proving to be a waste of money.

In the past year only 370 milk producers have taken the EEC's grants and switched their herds to beef, or changed their whole pattern of production. The number of milk producers who have taken about 7,500 dairy cows out of the business with them.

While the figures may appear reasonable in isolation, related to normal patterns of wastage in the industry, they must be disappointing to the officials in Brussels who thought of the idea in the first place.

For the past 10 years the number of registered milk producers in the U.K. has fallen about 5,000 a year without any help from premiums, grants or other hand-outs.

Although no complete breakdown is yet available for last year, there is every indication that the 370 farmers who took the money and quit were precisely the type of people with small herds who have been leaving the industry in increasing numbers in recent years. They

Once again the U.S. will provide the bulk of the exports with sales up to 31m. tonnes, followed by Canada at about 15m, Australia at about 10m, and Argentina at about 3m. tonnes.

Despite this increase in world trade, carryover stocks in the five major exporting countries are forecast to remain at the very high level of 54.2m. tonnes at the end of 1977. The world closing stocks of wheat, excluding China and the USSR, are projected to fall by 5m, to 75m. tonnes.

The estimate for world wheat production in 1977 remains at 1.85m. tonnes, compared with 1.87m. tonnes in 1976, but with a slight increase in the Americas crop which, at 8.5m. tonnes, is put at the lowest level since 1968 following poor crops in Argentina and Brazil.

Provisional statistics on plantings in the northern hemisphere to produce the 1978 crop suggest there may be only a small reduction in the area compared with 1977, the report states.

It adds, however, that it will be some months before a clearer picture emerges, and planting in the southern hemisphere will not begin until the second half of the year.

Reuter reported from Washington that total wheat use in the U.S. during 1977-78 is projected at 1.95m. bushels, up about 14 per cent, but still less than the 1977 crop, the U.S. Agriculture Department said.

Carryover on June 1, 1978, therefore, could be above last year's 1.1m. bushels, the USDA said in a summary of the wheat situation to be released on February 15.

It said disappearance during June-December totalled 1.1m. bushels, 12 per cent above a year earlier, with all of the increase due to heavier wheat feeding.

While higher prices will limit feed use for the remainder of the year, the Department said the largest since 1972-73.

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EEC sugar sales increase

COMMON MARKET sugar export allotments reached the highest level of this crop season in Brussels yesterday. The EEC Commission authorised sales totalling 49,600 tonnes of white sugar and 25,800 tonnes of raws. Last week the Commission authorised 69,015 tonnes of whites for export but received no offers for raws.

The large raw sugar export allotment kept alive speculation on East European demand. Last week sugar values were boosted by rumours of Chinese and Russian buying. The reports of Chinese purchases, however, were generally discounted but traders are still uncertain about the Russian situation.

Market sources are generally attributing the demand for raw sugar to Central Africa and the Middle East, however.

World sugar futures prices continued to ease on the London futures market yesterday. The May quotation fell to 20.70 to 21.20 a tonne. In the morning the London daily raw sugar price was fixed at 20.80 a tonne, unchanged on the day.

In New Delhi meanwhile, Mr. P. B. Kanoria, the Indian Sugar Mills Association president, asked the Government to allow exports of 700,000 tonnes of sugar this year, to meet the demand.

India's export quota under the new International Sugar Agreement, which provisionally came into force on January 1, is 701,250 tonnes.

Earlier this week a senior Trade Ministry official was asked to comment on reports that China was negotiating to buy Indian sugar said India's present policy was not to export sugar at all because of low world prices.

FARMERS CLUB SEMINAR

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE FARMERS CLUB drew on a rough count, rather less than half those who listened to Mr. John Silkin, the Agriculture Minister, to a seminar on the Common Agricultural Policy in London yesterday. This, no doubt, was because Mr. Silkin is the man of the moment in British farming—a hate figure it is true, but the only one by whose actions farmers can prosper or suffer.

Mr. Silkin's approach is to the CAP that of a wrestler in a tricky situation. His policy is not so much a policy as a tactic of defending a number of situations on an ad hoc basis, with a view to securing a maximum of what is called national advantage under any circumstances that may arise.

Much more interesting is the approach of Professor Marsh of Aberystwyth University. He said, as he has said before, that the CAP is in a present form could not endure mainly because it involved national governments from any responsibility for food surpluses. These could become unmanageable in a system of what he termed standard quantities, really production quotas, which would lay on member governments the responsibility for supporting their own farmers themselves instead of

FARMERS CLUB SEMINAR

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

securing the open-ended commitment from Brussels to support surpluses ad infinitum.

If such a measure became feasible it would, according to Professor Marsh, release some of the EEC funds for such things as structural improvement and social measures. This was the original purpose of the CAP anyway.

A rather sardonic view of the CAP was given by Mr. Jon Silkin, the Agriculture Minister, to a seminar on the Common Agricultural Policy in London yesterday. This, no doubt, was because Mr. Silkin is the man of the moment in British farming—a hate figure it is true, but the only one by whose actions farmers can prosper or suffer.

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Hidden dangers of food aid

By A CORRESPONDENT

FOOD AID is often of more benefit to the donor than to the recipient and in some circumstances can be positively dangerous to the latter's economy.

This view was put forward by the Tanzania Food and Nutrition Centre at a recent meeting of the International Peace Research Association's food policy study group.

In a paper presented on the centre's behalf, the group, consisting mainly of European researchers and field workers experienced in food aid, said that food aid was often inappropriate, highly refined, over-sophisticated and expensive.

Hunger and malnutrition could be better tackled by the encouragement of the local production of simpler foods, the paper said.

Supplementary food aid might be required while local production was being built up but this should be designed to fit into the local dietary habits, "not create dependency on expensive foreign foods".

Care should also be taken to avoid sapping the individual's or country's will or ability to feed itself.

Even emergency aid could in some cases create more problems than it solves.

The situation following the Guatemalan earthquake was quoted as a good example of this. Because the disaster happened shortly after the harvest there was a lot of food in the country but it was temporarily buried. This was recovered quite quickly but large grain shipments from abroad depressed prices so that the local peasants could not sell their cash to rebuild their smashed homes.

It was, as one local worker

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COMMODITY MARKET REPORTS AND PRICES

BASE METALS

OPPER—Firm on the London Metal Exchange. Prices were fairly steady in a forward market, with a slight rise in the afternoon. Copper, three months, 125.00; six months, 125.00; three months, 125.00; six months, 125.00.

LEAD—Firm on the London Metal Exchange. Prices were fairly steady in a forward market, with a slight rise in the afternoon. Lead, three months, 125.00; six months, 125.00; three months, 125.00; six months, 125.00.

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ZINC—Firm on the London Metal Exchange. Prices were fairly steady in a forward market, with a slight rise in the afternoon. Zinc, three months, 125.00; six months, 125.00; three months, 125.00; six months, 125.00.

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OFFSHORE AND OVERSEAS FUNDS

[illegible]

Campanio Growth	181.1	+0.7	
Campanio Growth	171.4	+1.8	
Conversion Inc.	24.0	+0.3	1.4
Conversion Inc.	24.0	+0.3	1.4
Dividend	216.5	+1.4	5.26
Alcan. Units	216.5	+1.4	5.26

For tax exempt funds only

Life Assurance Co. Ltd.	Eagle Star Insur/Midland Ass.	M & G Group [¶]	Scottish Widows' Group
St James's Churchyard, E.C.4.	1, Thuredonville St, E.C.2.	Three Quays, Tower Hill, E.C.3R 6SD	P.O. Box 302, Edinburgh EH1 1SB
Land 127 34.9	Eagle/Midland Ass. 142	Peris. Pension 120.2	031-655 6000
			176.5 66.9

27.5	27.5		Equity & Law Life Ass. Soc. Ltd.	Conv. Deposit	131.2	122.1		Inv. Pfr. Series 2	71.2	96.0
19.7	147.2		American Road, High Wycombe	Equity Bond	72.1	73.2		Inv. Cash Feb. 3	74.0	201.5
145.5				Equity Fd				Ex. Inv. Ty. Feb. 1	132.6	133.3
8.1			Equity Fd	10.7	10.1	0.4		Mgd. Pfr. Feb. 1	105.3	299.9
134.8			Property Fd	10.2	17.5	0.1				

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Pa. Ser. 4, 1075	113.2	G.L. Cash Fund	75.0	100.0	-	-	125, High Street, Croydon.	01-6869171	Solar Equity Pl.	748.2	151.9	-0.7
at Feb. 7, 1975		G.L. Equity Fund	55.0	100.0	-	-			Solar Ind. Pl.	219.1	122.0	-1.5
Life Assurance Co. Ltd.		G.L. GIH Fund	118.0	118.0	-3.8	-			Solar Cash Pl.	79.8	185.0	-
Portsmouth S. W.I.	01-4373502	G.L. Ind. Fund	55.0	55.0	-	-			Sun Alliance Fund Mgmt. Ltd.			
		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
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		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
		G.L. Cash Fund	50.0	50.0	-	-						
		G.L. Ind. Fund	55.0	55.0	-	-						
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Account	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371</
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1. The first group of respondents (n = 10) was composed of students who had completed the course and were currently employed in a position related to their field of study. They were contacted via email and invited to participate in the study. The second group (n = 10) was composed of students who had completed the course and were currently employed in a position related to their field of study. They were contacted via email and invited to participate in the study. The third group (n = 10) was composed of students who had completed the course and were currently employed in a position related to their field of study. They were contacted via email and invited to participate in the study.

RIALS-Continued

INSURANCE-Continued

PROPERTY-Continued

INV. TRUSTS-Continued

FINANCE, LAND-Continued

On Land and On Sea
Hitachi Zosen
Kabushiki Kaisha
(Hitachi Shipbuilding & Engineering Company Limited)
6-14, Edobori 1-chome, Nishi-ku, Osaka 550, Japan

Table with multiple columns listing various financial data, likely related to the 'RIALS-Continued' section.

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

Components

Garages and Distributors

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

PAPER, PRINTING ADVERTISING

PROPERTY

TOBACCO

TRUSTS, FINANCE, LAND

INSURANCE

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

PAPER, PRINTING ADVERTISING

PROPERTY

TOBACCO

TRUSTS, FINANCE, LAND

INSURANCE

FINANCE, LAND-Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES-Continued

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

REGIONAL MARKETS

OPTIONS

3-month Call Rates

MINES-Continued

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

REGIONAL MARKETS

OPTIONS

3-month Call Rates

REGIONAL MARKETS

OPTIONS

3-month Call Rates

REGIONAL MARKETS

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3-month Call Rates

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REGIONAL MARKETS

OPTIONS

3-month Call Rates



CBI OPPOSITION TO PAY PLEDGE QUERIED

Companies uncertain on State contracts

BY OUR INDUSTRIAL STAFF

THERE WAS widespread condemnation from trade and other organisations yesterday about the Government's intention to use public sector contracts to enforce its pay policy.

Individual companies were predictably reluctant to make any public comment. However, privately some were suggesting that the Confederation of British Industry had over-reacted in its opposition to the proposal.

"There have been some peculiar clauses in all Government contracts for many years. The important thing is to get the contract signed and worry about the small print later," was the comment from one industrialist in the engineering sector.

And Dr. Austin Pearce, chairman of Esso Petroleum, put it another way. "This is nothing new to us because over the last two years when involved in Government contracts we have had to sign a statement that we have not acted contrary to Government policies."

"As a company with a large part of its business associated with Government contracts we must take a great deal of notice of what the Government says. There are, however, some important legal questions which need to be considered and we do not know the answer to these at the present time."

Pragmatic

The pragmatic approach of other companies was echoed by the Beecham group, which commented: "We will wait until we meet this problem in practical circumstances."

Vickers said: "We will have to face this when individual contract negotiations come up. We have no central wage bargaining system in this group, which is another complication."

ICI stated: "We are still studying the Government's requirements. We think they are unclear, but we are considering the possible implications. Many other concerns are also waiting to see exactly what the Government has in mind rather than jumping in with hasty comments."

Among the organisations which supported the CBI reaction yesterday was the National Federation of Building Trades Employers which said it "strongly objected" to the Government's proposal. It is likely to seek meetings with other building industry organisations, such as those representing civil engineers and architects, to assess the likely effects on the industry.

Mr. Tom Boardman, president

Chancellor tells Labour MPs of bright hopes for economy

BY RUPERT CORNWELL, LOBBY STAFF

CAREFULLY keeping the Government's election options open, Mr. Denis Healey, Chancellor of the Exchequer, yesterday related to the first signs of improvement in the "real" economy and held out the cautious hope of a decline in unemployment this year.

The Chancellor, addressing a pre-Budget meeting of Labour MPs, also promised proposals in his Spring package to help small businesses set up in inner city areas, something being studied by a Government working group. But he gave few other clues to his plans.

Although Mr. Healey painted a glowing picture of the improvement in Britain's economic outlook, including a decline in inflation to single figures as early as this month, he also said he would dampen excessive Left-wing hopes of reflation.

Some MPs who spoke urged

Weather

CLOUDY with outbreaks of rain, sleet or snow. It will be mostly cold.

London, S.E. England, E. Anglia, Channel Islands, Midlands.

Very cold, sun showers, rather cloudy. Wind N.E., moderate or fresh. Max. 1C (36F).

E. England, Cent. N. England

Very cold. Outbreaks of snow. Bright intervals. Wind N.E., light or moderate. Max. 1C (36F).

BUSINESS CENTRES

Y'day	Mid-day	Y'day	Mid-day
Alexandria S 12	24	London S 12	24
Amsterdam F 10	22	Madrid S 12	24
Algiers S 12	24	Manchester S 12	24
Bahra S 10	20	Barcelona S 12	24
Bombay S 10	20	Bombay S 10	20
Buenos Aires S 10	20	Buenos Aires S 10	20
Calcutta S 10	20	Calcutta S 10	20
Cardiff S 10	20	Cardiff S 10	20
Cebu S 10	20	Cebu S 10	20
Dakar S 10	20	Dakar S 10	20
Dhaka S 10	20	Dhaka S 10	20
Delhi S 10	20	Delhi S 10	20
Disburg S 10	20	Disburg S 10	20
Edinburgh S 10	20	Edinburgh S 10	20
Geneva S 10	20	Geneva S 10	20
Hong Kong S 10	20	Hong Kong S 10	20
Imbros S 10	20	Imbros S 10	20
Jersey S 10	20	Jersey S 10	20
London S 10	20	London S 10	20
Lyons S 10	20	Lyons S 10	20
Madrid S 10	20	Madrid S 10	20
Manila S 10	20	Manila S 10	20
Mexico S 10	20	Mexico S 10	20
Moscow S 10	20	Moscow S 10	20
Odessa S 10	20	Odessa S 10	20
Paris S 10	20	Paris S 10	20
Peking S 10	20	Peking S 10	20
Rangoon S 10	20	Rangoon S 10	20
Reims S 10	20	Reims S 10	20
Rome S 10	20	Rome S 10	20
Singapore S 10	20	Singapore S 10	20
Sourabaya S 10	20	Sourabaya S 10	20
Taipei S 10	20	Taipei S 10	20
Tientsin S 10	20	Tientsin S 10	20
Yokohama S 10	20	Yokohama S 10	20

FINANCIAL TIMES

Thursday February 9 1978

British Gas may boost profits to over £100m.

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS expects to make a profit of at least £100m. in the current financial year. If gas sales are boosted by cold weather during the next two months the profit could be substantially higher—perhaps four times last year's record £21.5m.

Although the corporation is not contemplating an application for a price rise in the near future, Sir Denis Rooke, chairman, said that there would be a gradual increase over the next few years to reflect the higher costs associated with producing gas from deeper, more northerly fields in the North Sea. Gas prices should not move faster than the rate of inflation, however.

Giving evidence yesterday to members of the nationalised industries select committee in the Commons, Sir Denis called on the Government to set a realistic financial target for State corporations. These might vary, depending on the stage of development in each undertaking, but in British Gas's case the target should be a 4 per cent. return on turnover.

The corporation would reach this level in the current financial year, he said. As the current turnover of British Gas is £2,500m, this was a strong hint that the profit could be at least £100m.

Increase

Sir Denis said that the return had been enhanced by the 10 per cent. price rise implemented in April as part of the Government's package of economic measures associated with the latest International Monetary Fund loan.

It was an increase pressed on the corporation by the Government—one which had not been envisaged in the light of a previous pledge to customers that

prices would be pegged for a year.

The timing was extremely unfortunate, he said. It could have damaged the relationship with customers as many gas consumers were unaware of the reason behind the price rise.

Sir Denis reacted strongly when told by the committee that the Gas Corporation was in a fortunate position when set against other nationalised industries. "I get concerned when people say we are fortunate. This industry has come through a great trauma. We are where we are today because we pulled ourselves up by our bootstraps."

Salary poser

The corporation had not asked for handouts or subsidies. Although North Sea gas had helped its supply position, the corporation had done a good deal of the exploration. It had also negotiated favourable supply contracts. "We had to fight major oil companies to get these contracts. I don't see why people should now criticise us."

He was concerned that morale in the top echelons of British Gas was suffering because of salary constraints in the nationalised industries. Senior officials were reluctant to accept promotion, particularly when it involved moving location, because rewards were insufficient.

Sir Denis, who has been a leading advocate of a salary increase for senior nationalised industry officials, said that because his pay was pegged at £23,000 a year other Board members had to suffer.

Asked what he felt his salary should be, Sir Denis said that the corporation operated on the scope and scale of Imperial Chemical Industries. ICI's chairman was paid £98,000 a year. "I don't think my salary should be a quarter."

By Anthony McDermott

SYRIA'S President Assad will visit the Soviet Union next week in an attempt to buy more arms, possibly with financial help from Arab oil States.

Mr. Assad, who is co-ordinating diplomatic opposition to President Sadat's peace efforts, will be paying his first visit to Moscow since the Egyptian leader went to Israel last November. Mr. Sadat was concluding his trip to the U.S. yesterday, and today will have a brief meeting with Mr. James Callaghan.

Mr. Assad will be preceded in Moscow by Major Abdel Salam Jalloud, Libya's Prime Minister. On Tuesday, Mr. Abdul Halim Khaddam, Syria's Foreign Minister, began a tour of Saudi Arabia and other wealthy Gulf States.

Syria has been violently opposed to Mr. Sadat's political initiative towards Israel but, at the same time, it has been apprehensive Egypt might conclude a bilateral deal with Israel.

Mr. Sadat is unlikely to conclude a bilateral agreement but Syria feels isolated politically and militarily on Israel's northern border. If Mr. Assad were to receive promises of financial support from rich Arab countries, Russia would be far more sympathetic to his arms requirements.

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Sadat says door is open for peace talks, Page 3

Assault

Five Syrian soldiers were killed in an assault on the headquarters of the right-wing National Liberal Party. The party said that in the three-hour assault one of its men had been killed. The fighting brought armed militiamen back to the streets of east Beirut and snipers reappeared along one section of the dividing line between the Christian east and Muslim west halves of the capital.

The party always has been opposed to the large numbers of Palestinians in Lebanon. Increasingly, however, in spite of the aid Syria gave the right-wing during the civil war, it has expressed opposition to the continuing presence of Syrian troops.

Work on this fourth-generation British pressurised water reactor is to start next year.

Submarine

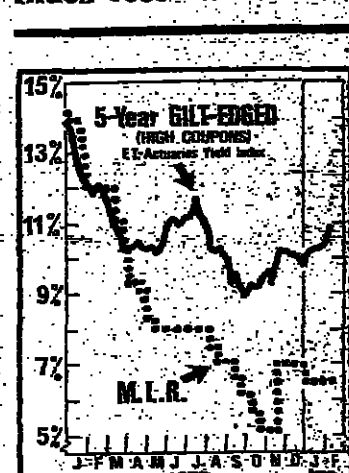
The company has built a total of 17 reactors and 30 "cores" — the heart of the system, which includes the fuel—for the Navy, after being set up in 1959 to procure a Westinghouse pressurised water reactor from the U.S. for Dreadnought, the first British nuclear submarine. Between them, the four shareholders supply more than 50 per cent. of the value of a submarine pressurised water reactor.

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